

The NATIONAL UNDERWRITER

The ANSWER to a VITAL QUESTION

If there were only one fire insurance company in the world, you would have no mental effort in selecting the best company to represent. But there are many companies and many necessities for intelligent selection.

Financial strength, age, successful operation, reputation for quickly fulfilling contracts, lines written, and willingness to help local agents with practical assistance are features which you should check over. Your future prosperity depends on this check.

The Boston and the Old Colony Insurance Companies invite you to check over these items. We know that our financial statements will stand your careful scrutiny. That our service is efficient. That our business policies are conservative. That the many lines we write are necessary for an agent's welfare. That our field men

are well trained and on the job. And that our Advertising and Sales Promotion Department is ready and eager to assist you in making more money this year.

If you are considering taking on a new company to strengthen your set-up, you would do well to study both the Boston and Old Colony. We are eager to have one of our field men call and answer your questions in detail. This call incurs no obligation and gives you the opportunity to base your decision on detailed facts, and to meet the type of men who represent us in the field. A letter or card is all that is necessary. Why not today?

B. L. Hewett, Manager

WESTERN DEPARTMENT

LANSING

MICHIGAN



BOSTON INSURANCE CO.

INCORPORATED 1873

BOSTON, MASSACHUSETTS

STATEMENT OF DECEMBER 31, 1937

As filed with Massachusetts Insurance Department

ASSETS

Cash in Banks and Office	\$ 897,559.00
Cash in Banks and Office	106,000.00
Cash in Banks and Office	270,000.00
Cash in Banks and Office	204,530.00
U. S. Government Bonds (short term)	19,845.00
U. S. Government Bonds	3,627,071.00
State, County and Municipal Bonds	1,067,776.00
State, County and Municipal Bonds, Railroad and Public Utility Bonds	1,264,978.00
Public Utility and Corporation Bonds	818,486.00
Stocks	5,445,467.00
Old Colony Insurance Company	6,988,518.00
Real Estate (Home Office Building)	1,050,000.00
Premiums in Course of Collection (not over 90 days due) and other Admitted Assets	948,772.00

\$22,709,002.00

LIABILITIES

Losses in Process of Adjustment	\$ 897,559.00
Reserve for Federal Taxes	106,000.00
Reserve for Dividends	270,000.00
Reserve for Losses Unreported	224,375.00
Unearned Premium Reserve	4,694,847.00
All Other Reserves and Liabilities	1,264,978.00
Capital	\$ 3,000,000
Surplus	12,251,243

POLICYHOLDERS' SURPLUS ★15,251,243.00

\$22,709,002.00

★Based on Dec. 31, 1937, market quotations the policyholders' surplus is \$15,989,887.

OLD COLONY INSURANCE CO.

INCORPORATED 1906

BOSTON, MASSACHUSETTS

STATEMENT OF DECEMBER 31, 1937

As filed with Massachusetts Insurance Department

ASSETS

Cash in Banks and Office	\$ 281,050.00
Cash in Banks and Office	37,000.00
Cash in Banks and Office	24,090.00
U. S. Government Bonds (short term)	25,910.00
U. S. Government Bonds	53,625.00
U. S. Government Bonds	1,633,774.00
U. S. Government Bonds	183,497.00
U. S. Government Bonds	768,289.00
State, County and Municipal Bonds	1,120,115.00
Railroad Bonds	350,408.00
Public Utility Bonds	282,899.00
Corporation Bonds	202,604.00
Stocks	3,863,848.00
Premiums in Course of Collection (not over 90 days due) and other Admitted Assets	358,150.00

\$9,185,259.00

LIABILITIES

Losses in Process of Adjustment	\$ 281,050.00
Reserve for Federal Taxes	37,000.00
Reserve for Dividends	50,000.00
Reserve for Losses Unreported	53,625.00
Unearned Premium Reserve	1,633,774.00
All other Reserves and Liabilities	183,497.00
Capital	\$1,000,000
Surplus	5,946,313

POLICYHOLDERS' SURPLUS ★6,946,313.00

\$9,185,259.00

★Based on Dec. 31, 1937, market quotations the policyholders' surplus is \$7,326,364.

MICHIGAN AGENTS CONVENTION

THURSDAY, OCTOBER 6, 1938

From Time To Time

Every month *Time*—the weekly news magazine—carries an Aetna advertisement such as shown on this page. These advertisements serve a three-fold purpose:

- They pave the way for your selling broader insurance coverage.
- They tell the public why insurance should be bought from local agents or brokers of capitalized (stock) companies.
- They explain why policies with capitalized (stock) companies offer an extra measure of financial security.

The advertisement shown here appears in the October 10th issue of *Time*. Look for it. Call it to the attention of your clients and prospects.

*It helps
your peace
of mind
if...*



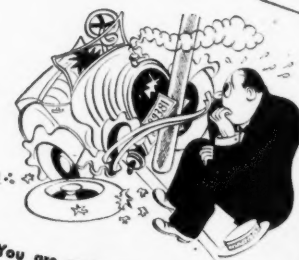
Your stamp collection is insured against fire, theft, damage by pets and other perils

Insurance is constantly being modernized to meet special requirements. Let the local agent or broker of any capitalized (stock) insurance company look over your policies at least once a year to make sure your protection is up-to-date.



Your residence insurance covers damage from leaking radiators or plumbing fixtures

Checking up on who pays if anything goes wrong is a good way to analyze insurance needs. And a good man from whom to get expert advice is the local agent or broker of any capitalized (stock) insurance company.



You are protected against damage suits that may result from driving somebody else's car

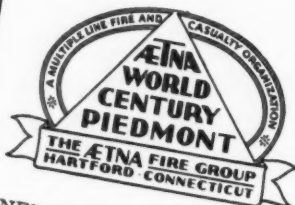
It's easy to be mistaken as to what your policies cover if you buy insurance by mail or other remote contacts. And it's easy to be sure if you buy from local agents or brokers who represent capitalized (stock) companies.

Why 4 out of 5 People Insure Through Local Agents or Brokers of Capitalized (Stock) Fire Insurance Companies

Look at your insurance policies and see whether they read "A Stock Company." Those words may be worth real money to you some day.

They signify that a stock (or capitalized) company has a paid-in capital and

surplus. In years of heavy insurance losses (and there are many such years) this paid-in capital and surplus protects you from assessments and serves as an additional safeguard to keep your policy sound.



THE **AETNA**
FIRE GROUP HARTFORD
CONNECTICUT

NEW YORK

CHICAGO

SAN FRANCISCO

CHARLOTTE, N. C.



FIRE BUG—harsh name for a cigarette forgetter. LOYALTY GROUP agents will insure against property loss—but a human life is a high price to pay for a habit. It's up to you to prevent careless fires.

Firemen's Insurance Company of Newark, N. J.
 The Girard Fire & Marine Insurance Company
 National-Ben Franklin Fire Insurance Company
 The Concordia Fire Insurance Co. of Milwaukee
 Milwaukee Mechanics' Insurance Company
 Pittsburgh Underwriters • Keystone Underwriters
 The Metropolitan Casualty Insurance Co. of N. Y.
 Commercial Casualty Insurance Company

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
 INSURANCE

Western Department
 844 Rush St.
 Chicago, Illinois

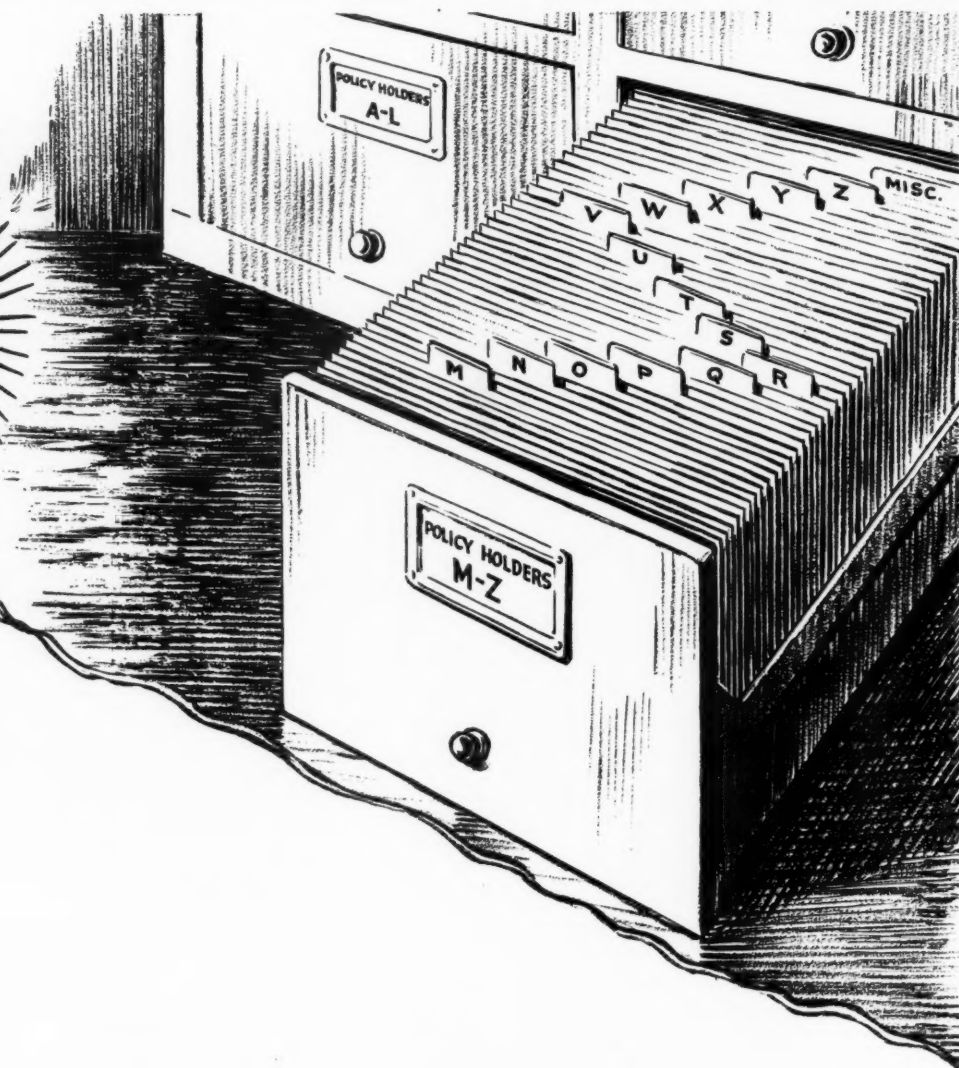
Canadian Dept.
 461 Bay St.
 Toronto, Canada

HOME OFFICE
 10 PARK PLACE
 NEWARK, NEW JERSEY

Southwestern Dept.
 912 Commerce St.
 Dallas, Texas

Pacific Department
 220 Bush St.
 San Francisco, Calif.

THAR'S GOLD *in them* THAR FILES



. . . . And you don't have to be a "Forty-niner" to find it! Gold awaits you if you will but prospect in your Policyholders Files. A brief examination of the insurance carried by a few selected policyholders will convince you that they do not have all the insurance protection they need, particularly Inland Marine-wise. Write our Inland Marine Department, where you are always assured of hearty cooperation with your problems, for business-building ideas and a copy of our new

"SOURCE CHART OF INLAND MARINE
PROSPECTS AND PREMIUMS."

THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK

Writing Fire, Automobile, Inland Marine, and All Kindred Lines



Capital Stock Fire
Insurance Company

Restrictive Laws Create Live Issue in Insurance Field

Sharp Difference of Opinion Is Noted in Com- pany-Agency Ranks

The question of restrictive agency license laws, especially those dealing with counter signature, was by all odds the outstanding controversial topic arising at the annual meeting of the National Association of Insurance Agents in St. Paul. It is a question that is engrossing the minds of agents and brokers as well as companies and in addition the organizations devoted to the interests of the various parties. Secretary W. H. Bennett in his very outstanding talk condemned the casualty companies for bringing suit to test the constitutionality of the Virginia act. The resolutions committee labored over proper expression of views on this important question. This leading resolution was adopted, "We believe that the overhead writing principle established soon after our organization was founded over 40 years ago is as sound today as it was then. We believe that it is ethically and morally untenable for an insurance company operating under the local agency system to permit counter signature of policies by salaried representatives, thereby violating the franchise of its local agents. We recognize the tendency toward so-called restrictive agency licensing laws among the states largely brought about by the practice above mentioned. We recognize the need for licensing laws that are adequately protective and not unduly restrictive. We therefore recommended that the incoming administration institute a comprehensive study of such laws now in effect for the purpose of determining if a uniform act can be drafted and recommended to the states that will properly protect all parties at interest."

Bennett's Views Endorsed

It is understood that Secretary Bennett insisted that there be no resolutions brought in by the committee endorsing in a personal way what he said on the subject. However, undoubtedly as a compromise to Mr. Bennett's position, W. J. Welsh of Kansas City, a very potent and robust speaker, rose after the resolutions were adopted and stated that the convention should endorse all that Secretary Bennett had said in his address. He said that he spoke not to but for the convention. He therefore presented a motion to endorse Mr. Bennett's address wholly as being in the best interests of the public and the insurance people. This was adopted with great applause which showed that the agents seemingly are in real sympathy with what Mr. Bennett advocated.

Mr. Bennett was especially severe in denouncing use of salaried representa-

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View Aftermath of the Big Hurricane in the East

NEW YORK—Companies—stock and non-stock alike—are bending every effort to handle losses created by the hurricane that swept the North Atlantic coast Sept. 21, taking heavy toll of life and property. Underwriters' estimates as to aggregate insurance loss at best are guesses, and must so continue until more reliable data is secured, which probably will be at least ten days hence.

Concededly, loss will run into the millions. Payment will be shared by London Lloyds under excess of loss and catastrophe cover agreements. To expedite claim handling, emergency equipment of the National Board will be used as in previous major disasters. The committee on adjustments and the Eastern Loss Executives Conference reached this decision at a joint meeting.

New York Board's Action

The New York Board of Fire Underwriters has given instructions for dealing with losses in territory under its jurisdiction, the boroughs of Manhattan, the Bronx, Brooklyn, Queens and Richmond, Queens county and Staten Island.

The Fire Companies Adjustment Bureau, promptly marshaled its forces, calling additional men from other territories to aid in the task. The bureau has ten men operating out of Boston, 4 each at New Bedford and New Haven, 11 at Worcester, 12 each at Springfield and Providence, 6 at Manchester, N. H., 9 at Hartford-New London, and 7 at Jamaica, L. I.

Claims are coming in rapidly to the bureau and small windstorm losses have been disposed of. For the most part the windstorm losses reported are from districts distant from the shore front, and are especially numerous in Worcester and Springfield sections, where it appears agents were more aggressive selling extended coverage, or assumed more receptive to the proposition than elsewhere in New England.

Large Centers Unreported

The absence of loss reports that were anticipated from large centers is attributed to the difficulty of agents in getting to their records because of damaged condition of their offices, many having been several feet under water at the height of the storm, with little time to protect office equipment and accounts.

Hundreds of automobile claims undoubtedly will be filed in addition to the many already received, as soon as property-owners now concerned with more important damage to homes and mercantile buildings, can get around to figuring their automobile losses.

The Factory Insurance Association estimates its outstanding liability near \$2,500,000, and based on this figure, the Factory Mutuals, which for years have covered heavily in the storm area, are assumed to be involved for at least \$5,000,000. President H. T. Freeman of the Manufacturers Mutual Fire, however, states claims against the associated mutuals will total about \$3,000,000, though he figures even this sum will prove excessive, since some claims have been adjusted for 10 or 20 percent of original estimates.

Mutuals are credited with having lib-

eral excess of loss agreements with London Lloyds, and they state they will be able to pay hurricane losses out of surplus accounts without seriously depleting them. The mutuals, in addition suffered heavy loss through burning of the extensive Seale Mills, New Bedford, which line they carried, and which some assert will mean a loss on building and contents of \$500,000 to \$1,000,000.

The National Board's emergency loss recording service, included establishment of an office at 85 John street, New York, through which companies will report claims other than automobile in the storm area, except in New York Board territory and property insured through the Factory Association; preparation of claim cards, one copy to be retained by the National Board and the duplicate sent to the company reporting loss on the same date report of loss is received; companies to complete duplicate claim card and return it as soon as adjustment is effected.

If it seems advantageous, and upon request of adjusters and companies, the National Board will offer its services to create regional committees to advise individual companies and adjusters as to general causes to which loss in borderline cases may be attributable.

New York Announcement

The New York Board announcement pointed out that the organization has jurisdiction of all fire losses in its territory in which more than three members are involved. On claims under windstorm, tornado, water including sprinkler leakage, explosion, supplemental contract and extended coverage endorsement, all cases where two or more members are interested come within jurisdiction of the loss committee.

The board urged that all losses coming within these classifications be promptly referred to the committee on losses and adjustments. The committee will assign such claims to adjusters already appointed by companies when

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Want the Commissioners to Go to San Francisco

The American Association of Insurance General Agents will hold its annual meeting in San Francisco, June 26-28. An effort is being made by the officers to induce the National Association of Insurance Commissioners to meet in California, either in San Francisco or Los Angeles, prior to that time. L. B. Daniels, president Seelye & Co. of San Francisco, is president of the general agents association. The San Francisco Fair will be on at that time and an effort is being made to get organizations to hold their conventions in San Francisco. An appeal will be made to the Western Conference of Insurance Commissioners to use its influence to secure the 1939 National association convention for California.

W. U. A. Enjoys Placid, Harmonious Convention

Mid-Year Meeting at Hot Springs, Va., Lacks Burning Issues

By LEVERING CARTWRIGHT

HOT SPRINGS, VA.—An absence of controversial issues, indeed an almost entire lack of urgent business, plus exhilarating fall weather combined this week to make the mid-year meeting of the Western Underwriters Association an harmonious, enjoyable occasion.

Members got the idea that there was no burning issue at this time when they observed C. F. Thomas, W. U. A. manager, Saturday afternoon "kibitzing" a game of bridge in the Homestead lobby, featuring C. A. Ludlum, retired vice-president of Home of New York, and C. R. Tuttle, retired western general manager of the North America as adversaries. Usually at these meetings Mr. Thomas is keyed to a high pitch, with time at a premium.

Many from St. Paul Rally

Quite a number of fire company executives came directly from the St. Paul convention of the National Association of Insurance Agents to Hot Springs, via the H. W. Chesley special from Chicago. This group was pretty much hors du combat for a day or two, as they reported that the first law at St. Paul had been "They Shall Not Sleep."

The governing committee, presided over by J. C. Harding of Chicago, executive vice-president Springfield F. & M. disposed of its business at a session Saturday morning. On Monday there was a meeting of those interested in bringing about a greater degree of uniformity in the operations of the three "Factory" associations. Paul Haid, president Insurance Executives Association, was present. H. P. Smith, manager Factory Association of Hartford, and Harry Grider, manager Western Factory of Chicago, were on hand. E. T. Cairns, vice-president Fireman's Fund, represented Pacific Factory of San Francisco.

Interest in Hurricane

Incidentally there was much conversation here about the insurance losses in the New England hurricane and tidal wave. The losses of Factory Association of Hartford may amount to as much as \$3,000,000. It is assumed that those of the factory mutuals will be larger than that. It was reported informally that the risk in New Bedford that burned the other day, with an estimated loss of \$2,000,000, was insured in Factory Association of Hartford until Aug. 15. It was lost then to the factory mutuals.

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S. M. Buck Warns Against Attitude of Complacency

Tells W. U. A. Satisfaction Will End If Sub-Normal Burning Ratio Turns

HOT SPRINGS, VA.—S. M. Buck, vice-president and western manager of Great American, made a splendid impression in his first presidential address at a meeting of the Western Underwriters Association. He undertook to give a comprehensive statement of the current situation in respect of fire insurance in the west and he suggested, in brief but pointed way, the underlying problems of capital importance.

"There is apparent," he said, "no marked change in the conditions within our business in the middle west since the annual meeting—that is, premium volume is barely stationary; losses show a slight up trend, probably affected by increased seasonal tornado outgo; the pressure on rate levels and commission allowances is no less persistent, but with all, we may be appreciative for conditions as they are since they could be worse.

Danger in Complacency

"In such a situation and with such a philosophy complacency is the great danger.

"With loss ratios during the past several years at or below 45 percent we naturally do not borrow trouble about sub-normal burning rates, decreasing average rates and high expense. As a matter of fact, our presently existing satisfaction can last only so long as the burning ratio continues to hold at a level, which, prior to a few years ago was not even considered an occasional probability.

"In 1930, in Western Underwriters Association territory (except Kansas, Missouri and Ohio, where figures are not available) stock fire insurance companies, excluding specialty automobile companies, produced fire, windstorm, automobile and other agency premiums (exclusive of hail on growing crops) amounting to \$198,325,199, with a loss ratio, written basis, of 57.38 percent.

Record in '37 Was 42 Percent

"In 1937 stock fire insurance companies, as above defined and on the same classes and for the same territory, wrote \$174,152,160, with a loss ratio of 42.19 percent.

"The liabilities, related to fire business only, for the same territory and same classes of companies were:

1930—\$16,524,209,832.

1937—16,283,579,706.

"This was a decrease of 1.45 percent. The average fire rate in 1930 was 89 cents, and in 1937, 65 cents, decrease 26.96 percent.

"Premiums, same class of companies, same territory, fire business only: 1930, \$147,287,898, 1937, \$106,414,148, decrease 27.75 percent.

"Stated in another way, it is to say that in 1937 our liabilities on fire agency business, for all stock companies in Western Underwriters Association territory, excluding Kansas, Missouri and Ohio, are 1.45 percent less than in 1930, while our premiums are off 27.75 percent and our average rate has dropped 26.96 percent.

"If the loss experience of the relatively short period is sub-normal and transient, the present average rate will be inadequate to mature our liabilities at a profit. Our business may be said

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Gets Good Start



S. M. BUCK, Chicago

S. M. Buck of Chicago, vice-president in charge of the western department of the Great American, who was elected president of the Western Underwriters Association at its annual meeting, presided this week at the semi-annual meeting at Hot Springs, Va. This hence was his maiden appearance and he made a good impression.

Paid Secretary Plan Is Up in Wisconsin

State Agents Association Holding Annual Convention at Sheboygan

By R. W. LANDSTROM

SHEBOYGAN, WIS.—Employment of a full-time secretary and limiting membership to exclusive representation of stock companies probably will be considered by the Wisconsin Association of Insurance Agents at its annual convention here. There has been sentiment to the effect the Wisconsin association is large enough to support a paid secretary and that, to judge from the experience of other states, would secure sufficient number of new members to justify the additional expense. It is impossible to forecast whether a final decision will be reached at this time, but the idea undoubtedly will be considered.

Following a meeting of the executive committee this morning, the convention will open this afternoon with the reports of President W. C. Thornton, Fond du Lac, and Secretary-treasurer J. G. Seidel, Milwaukee. August Lutze will extend welcome of the Sheboygan board and Grover Miller, Racine, executive committee member, will respond.

National Councillor W. B. Calhoun, Milwaukee, will report on the meeting of the National Association of Insurance Agents at St. Paul last week and

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Mutuals Gather in Three Groups for Sessions at Syracuse

Six Day Convention Takes in All Classes of Companies

SYRACUSE, N. Y.—About 950 are in attendance this week at the 43rd annual convention of the National Association of Mutual Insurance Companies in Syracuse. Meeting at the same time is the 22nd annual convention of the Federation of Mutual Fire Insurance Companies and the eighth annual gathering of the Mutual Insurance Advertising-Sales Conference. The presidents of the three organizations are Frank Bishop, president Pawtucket Mutual, Pawtucket, R. I., for the national association; L. G. Purmort, Central Manufacturers Mutual, for the federation, and Len K. Sharp, assistant secretary Mill Owners Mutual, Des Moines, for the third.

The convention theme is "Progress of Mutual Insurance." Most of the sessions are being held by groups considering farm, automobile, town and city, or sales and advertising problems. The program covers six days, starting with directors' meetings Oct. 1 and concluding Thursday with a trip through the Thousand Islands.

Demand for Uniformity

In his address responding to greetings of New York company executives, L. G. Purmort, Van Wert, Ohio, outlined the forces making for uniformity of policies and practices in the field of insurance. Large business organizations were among the first to call for it and more recently the many active government bureaus touching insurance have fostered it. He advocated more rapid progress toward uniformity by mutual companies.

Joseph T. Collins, chief of the rating bureau of the New York insurance department, speaking of retrospective rating plans, said that some of the controversial points involved in their introduction and use result from the lowering of the expense factor for acquisition cost on a graduated scale. "Recently," he continued, "the extension of the graduation principle to administration, audit and inspection expenses has been seriously discussed. No final determination has as yet been made." The principle of graduated expense factors is applied also in writing large contract bonds and group life insurance. Mr. Collins said in his opinion the retrospective principle could be applied to some of the liability lines.

Reward Would Mean Rate Boost

Speaking of the New York preferred risk plan for automobile liability, Mr. Collins said it was not very much different in principle from the safe driver reward plan, lacking the psychological advantage of a cash refund but having the real merit of simpler and less expensive administration. "The reward plan," said Mr. Collins, "would require a loading in the rates almost equal to the amount of the reward."

Fire insurance risks singly do not lend themselves to preferred risk treatment on the experience rating plan, according to Mr. Collins, but there are possibilities, he declared, "of applying the principle to large communities so that five year loss ratios for a community as a whole could be reflected in credits or debits deducted from or added to the fire insurance rates in that territory."

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THE WEEK IN INSURANCE

Mid-year meeting of Western Underwriters Association is placid, harmonious affair. **Page 3**

Machinery for reporting storm losses in east set up by two fire organizations. **Page 3**

Restrictive agency licensing laws, especially those pertaining to counter-signing policies, create a live issue in the insurance world. **Page 3**

The Charleston, S. C., tornado caused a loss of between \$1,000,000 and \$1,500,000. **Page 5**

S. M. Buck gives presidential message at annual meeting of Western Underwriters Association. **Page 4**

Secretary J. C. McKown of St. Paul Fire & Marine honored for 50 years' service with company. **Page 5**

Annual meeting of the Kansas Association of Insurance Agents held this week at Wichita, Kan. **Page 5**

Paid secretary plan up for consideration at convention of Wisconsin Association of Insurance Agents in Sheboygan this week. **Page 4**

Three big mutual groups holding annual meetings this week in Syracuse, N. Y. **Page 4**

Plan for handling auto finance insurance seems in sight. **Page 6**

Federal Crop Insurance Corporation cancels contract with Northern Assurance covering wheat in storage; finds most of premiums being paid in cash instead of in wheat. **Page 6**

St. Paul Insurance Exchange closes up the details of the big convention of the National Association of Insurance Agents. **Page 6**

Reduction in interest charge for financing larger premiums put in effect by First Bancredit Corporation. **Page 6**

Arthur S. Hall of Chicago, assistant western branch secretary of the Atlas group, is dead. **Page 14**

Observations made on the convention of the National Association of Insurance Agents at St. Paul. **Page 19**

Annual meeting of the Michigan Association of Insurance Agents is held at Muskegon. **Page 23**

President W. H. Menn of National Association of Insurance Agents makes big hit at Muskegon annual meeting of Michigan Association of Insurance Agents. **Page 23**

Hartford Accident & Indemnity celebrated its 25th anniversary at White Sulphur Springs this week. **Page 27**

Compulsory automobile rates for Massachusetts announced. Passenger car rates to remain the same, with reduction for commercial cars, school buses and guest coverage. **Page 29**

E. W. Sawyer, assistant general counsel Liberty Mutual, in his address at Syracuse, urges a broader and more simplified liability coverage. **Page 27**

Illinois department seeking legislation looking toward greater uniformity in automobile rates and policies. **Page 28**

Right and wrong way of selling accident insurance demonstrated at St. Paul convention. **Page 37**

Insurance Commissioner Boney of North Carolina has ordered automobile liability rates on private passenger cars reduced in the larger cities and deviations from manual rates eliminated throughout the state. **Page 27**

Many policyholders in the defunct Auto Mutual Indemnity, New York City, protest against the assessment levied by the liquidator. **Page 29**

Legal objections to assessments against policyholders of defunct Central Mutual of Chicago overruled by circuit court. **Page 29**

Superintendent Pink of New York has approved the method for rating automobile personal injury and property damage submitted by the joint committee. **Page 28**

Company recognition is given to H. R. Kendall, chairman of the board of the Washington National, Chicago, on the 45th anniversary of his entrance into insurance. **Page 30**

Consumer cooperatives as an alternative to governmental price regulation proposed in connection with the federal monopoly investigation. **Page 29**

Changes in rates announced by the National Bureau for trailers. **Page 28**

Charleston Is Hit by a Twister with Over Million Loss

Some of the Historic Structures Were Damaged by Tornado

CHARLESTON, S. C.—Charleston was hit by a tornado about 8 o'clock last Thursday morning. It caused the death of 26 persons and an injury to 300 others. The area covered is from Broad street to the Battery, which is the principal business district. All plate glass windows from one end of Broad street to the other are broken. St. Michael's Church, the city hall, Confederate home and the chamber of commerce buildings are damaged. The roof of the Timrod Hotel was blown off and the windows blown out. The city market and old slave buildings were blown down. There are many automobiles damaged. Along the river front it is found that a number of chemical and large manufacturing plants have been damaged but not so seriously.

Adjustment Bureau in Charge

The Fire Companies Adjustment Bureau immediately took steps to start adjustment work under the supervision of R. E. Bruce, Jr., assistant manager of the southeastern department. He is making his headquarters in the Charleston office.

Charleston windstorm rates are based on the possibility of a hurricane rather than tornado as it is in the coast zone. The windstorm rate on residence is 60 cents with 50 percent coinsurance. It is stated that 5 to 10 percent of the people in Charleston carrying fire insurance have windstorm indemnity.

Historic Landmarks Damaged

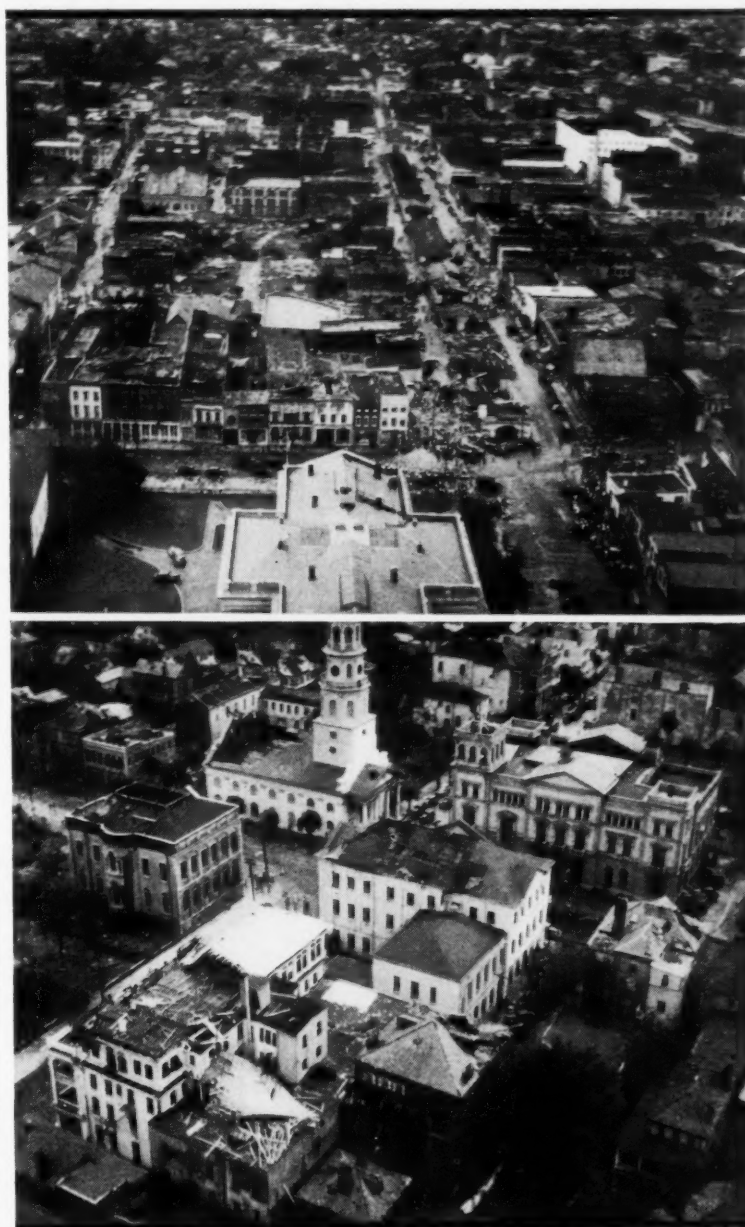
Some of the historic landmarks of Charleston were badly damaged. The city hall was partially unroofed, its prize art gallery, including the portrait of Washington by Trumbull and other relics being seriously threatened. The interior was partially damaged. Other historic landmarks damaged are St. Michael's Church, St. Philip's Episcopal Church, First (Scotch) Presbyterian Church, Huguenot Church, Dock Street theater, South Carolina Society hall, Washington-Heyward house. In the old city market, sections were unroofed and badly damaged. The Charleston Paper Company plant got the full fury of the tornado and collapsed, nothing remaining but a pile of bricks and other debris. It was at this point and at 45 State street where a three story frame structure stood that the largest toll of life was taken.

Johnson & Johnson Comment

Johnson & Johnson, general agents in Charleston, inform THE NATIONAL UNDERWRITER that in their opinion the tornado caused a property damage between \$1,000,000 and \$1,500,000, killing 26 people. The principal damage was in the southeastern section where both business property and residences sustained heavy damage and some were blown down. They state there were two separate twisters, one hitting the northwestern section doing considerable damage, although the property there was much less valuable and consisted to a large extent of Negro houses. The twister then jumped over to Sullivan's Island, one of the beach resorts, and destroyed approximately 18 houses. Johnson & Johnson estimates the insurance carried will not exceed 15 per-

(CONTINUED ON PAGE 10)

MINUTE STORM DAMAGES CITY



Between 25 and 30 persons were killed and 300 injured in a terrific storm which struck Charleston, S. C. The blow lasted approximately a minute but brought extensive property destruction to large areas. These pictures were made from a plane and show the extensive damage done to the main section of the city.—Acme News Pictures.

Honor J. C. McKown on 50 Years Service with St. Paul F. & M.

ST. PAUL—In recognition of his completion of 50 years of service with the St. Paul Fire & Marine Oct. 1, Secretary J. C. McKown was the recipient of a notable tribute by his associates. The entire field force serving under him east of the Mississippi and in Canada turned in a heavy volume of business that day and followed this up with some 250 congratulatory letters and telegrams.

Mr. McKown's office was a veritable bower of chrysanthemums and roses presented by the field force, home office employees and the Fire & Marine Club. In addition Mr. McKown was presented a handsome silver service tray on which was engraved the facsimile signature of every field man under Mr. McKown's jurisdiction and including several of the older home office employees and executives. The tray has in the center an

engraving of the home office building and under it these words: "Presented to James Clark McKown from his associates in honor of 50 years outstanding service with the St. Paul Fire & Marine Insurance Co., 1888-Oct. 1-1938."

Mr. McKown entered the employ of the St. Paul on Oct. 1, 1888, and has remained continuously with the company since that date. He served in various capacities, including clerical work, examiner, assistant secretary under the late A. W. Perry, and secretary in charge of the eastern field and Canada since 1924.

Surprise to McKown

The anniversary celebration came as a complete surprise to Mr. McKown, although his field men had been in on it since August. Several agents of the company who attended the convention in St. Paul last week called to congratulate Mr. McKown before they left St. Paul.

Mr. McKown has two sons in the insurance business, Lyle, who is vice-president of Wirt Wilson & Co., Minneapolis, and Paul F., manager of the Pacific department of the St. Paul.

Value of Agency Is Analyzed in Talk by a Field Man

Addresses Given at Kansas Association of Insurance Agents' Rally

WICHITA, KAN.—Glenn D. Hussey of Topeka, president Kansas Association of Insurance Agents, presided over the annual meeting held this week here. Alex Case of Marion gave an interesting report on the B. D. O. meetings. State Agent C. W. Bean of the America Fore, had a very enlightening address on "The Value of an Agency."

Mr. Bean said that one of the first items that a buyer of an agency takes into consideration is the item of additional overhead expense. He will first determine that he will not be handicapped by any unwarranted increase in overhead. He considers the element of good will. This consists of company representation, expirations, new clients to develop, acquisition of new employees. The companies now acknowledge that the agent owns the expirations. In contracts with agents a majority of the companies include and acknowledge this point. Therefore, if the business carried by an agency is not in such companies as have ratified the agreement, then the agency has practically nothing to sell and the purchaser has nothing to buy. Mr. Bean said that so far as he knew no non-stock carrier had ratified this agreement as to ownership of expirations nor has one gone on record in a satisfactory manner in this regard. The policyholder of a non-stock company, he said, is a member of the organization and has a theoretical voice in the management. Therefore, it may be such as to preclude the company from carrying out agreements even though the business was produced by an agent. It is a common practice for some non-stock companies which now operate through agents to continue to write a substantial amount of business direct.

Attitude Toward Rate Cutters

Mr. Bean paid his respects to the cut rate companies. If an office has on its books any particular volume of business written at a cut rate the inference is that a great many of the customers are price minded and have been price sold. They have no particular loyalty to the agent or his company. Therefore, they would be worth little or nothing to the purchaser. An agent should offer only sound protection coupled with real agency service. Mr. Bean cited the Missouri rate litigation and showed the consequences of agents that built up the business on a cut rate basis. Most has gone off the books just as it went on. Another bad implement in an agency is a commission splitter.

In analyzing expirations, Mr. Bean said the purchaser would want to determine how much of the business is political. Probable competition must be studied, the average size of the accounts on the books must be given consideration. The largest accounts are always the target for competitors. The credit policy of the agency is pertinent. If the agent has been a diligent collector and kept his accounts receivable in reasonable proportion to his volume of business, his office is in a healthy condition.

In selling an agency the owner should be willing to make up for perusal a complete analysis of his business, policy by policy and account by account. From this, taking into consideration the vari-

(CONTINUED ON PAGE 10)

Premium Finance Rate Is Changed

First Bancredit Takes Step, Eliminating Time Factor in Scale

Substantial savings to assured in financing premiums, and encouragement to buy five year term policies are features of the First Bancredit Corporation's substantial interest reductions for financing larger fire and casualty premiums, announced this week by L. M. Lilly, president.

In a letter to 360 leading companies using the Bancredit "simplified plan," he pointed out the substantial volume of business obtained, coupled with certain operating economies, made this step possible. Since the "simplified plan" was originated by First Bancredit two years ago, the rate charged by First Bancredit never has exceeded 6 percent simple interest and has graduated downward to as low as 4 percent on larger individual transactions if length of time over which instalments were to be paid did not exceed 12 months. The change establishes uniformly low rates based entirely on the balance being financed, regardless of whether the particular deal is to be paid in the minimum of six or the maximum of 48 months.

New Scale in Effect

The revised schedule is: Unpaid balance—\$50 to \$2,500, 6 percent; \$2,501 to \$5,000, 5½ percent; \$5,001 to \$10,000, 5 percent; \$10,001 to \$15,000, 4½ percent; \$15,001 and over, 4 percent.

On the basis of the previous rate schedule a \$20,000 five-year premium financed in five annual instalments would carry a rate of 5½ percent, resulting in total interest charge \$1,980; with the new rate the same premium, financed in the same way, will be on a 4 percent interest basis, which will reduce the interest outlay involved by \$540.

Mr. Lilly pointed out that assured now will be in position to obtain savings through term policies, then budget cost over a convenient period at a rate considerably lower than heretofore.

Comparison with Old Rates

The old basis carried a sliding scale based on a time limit. It thus was easier to show a saving on three-year term than five-year.

Under the old scale in financing premiums of \$15,000 or more, the rates were: 6-12 months, 4 percent; 13-24 months, 4½ percent; 25-36 months, 5 percent; 37-48 months, 5½ percent. Now the rate uniformly for all these periods is 4 percent.

On premiums up to \$2,500 the old rate was 6 percent, the same as the new scale, but from \$2,500 to \$5,000 the old scale called for 5½ percent up to two years, then 6 percent, compared to 5½ percent now; \$5,000 to \$10,000, 5 percent for two years, then 5½ percent up to 36 months, then 6 percent up to 48 months, compared to 5 percent straight through as now; \$10,000 to \$15,000, 4½ percent for 24 months, 5 percent for next 12 months and 5½ percent for another year, compared to 4½ percent at present, and \$15,000 and over, 4 percent for 24 months, 4½, 5 and 5½ percent for each succeeding 12 months up to 48, as against 4 percent now.

Discuss Surplus Lines

The Surplus Lines Association of Los Angeles held a meeting at which the question of registration of Lloyds policies was taken up, but no decision was reached. Charles Seyler of Seyler-Day Co., San Francisco, was in attendance at the meeting. No decision will be reached until after a further conference with the insurance department, where some legal problems must be ironed out.

Had Penthouse



JOHN L. MYLOD

The North British & Mercantile group attracted considerable attention at the St. Paul convention of the National Association of Insurance Agents inasmuch as it took over the entire apartment penthouse in the Lowry Hotel. A number of people had no idea what a penthouse was and hence there were a number of callers who were making an inspection. John L. Mylod, assistant United States manager, was in charge. He formerly traveled through the west and hence greeted a number of old friends. Associated with him from the head office were Secretaries S. T. Shotwell, Charles Weller and W. R. Rhymer, and Advertising Manager W. J. Traynor. Agency Superintendent W. R. Kirk of Chicago was also present. Messrs. Shotwell, Weller and Traynor were in Chicago Monday visiting Manager W. F. Sweazea and the Chicago agents. Mr. Weller left Chicago, taking a trip among western agencies.

Marine Underwriters Caught in Coast Losses

SAN FRANCISCO—Marine underwriters in London, Norway and San Francisco will be faced with the necessity of paying losses totaling more than \$400,000 as the result of four recent California shipwrecks, those of the Norwegian ship "Elg," recently pulled off the beach after having grounded Sept. 9, the Hammond Lumber Co.'s freighter "Dorothy Wintermute," which sank after floating off the rocks near Pt. Arena, the Seattle fishing boat "Fridigland," which capsized off San Francisco's Golden Gate, and the San Francisco fish boat "Santa Rosalia," which was successfully salvaged by the Smith-Rice Co. and the Shipowners & Merchants tugs after going high and dry on the beach near Pt. Arena.

Total loss of \$80,000 is estimated as the result of the fire which caused the wooden steamer Chatham to become a total loss August 31. The vessel was the scene of a disastrous fire, starting in the boiler room, which raged so fiercely that the master and officers were able to beach the blazing craft in Ward's Cove, near Ketchikan, only at the risk of their lives. The vessel, said to have been insured in London for \$30,000 was abandoned as a constructive total loss and the report of surveyors is that she is not worth raising.

Col. O. J. Rose, newly elected vice-president of the prominent Albany, N. Y., agency of Rose & Kiernan, was previously special agent for the Delaware & Hudson Railway. He served two terms in the state senate and is now chairman of the New York state flood control commission.

O'Mahoney Stresses Benevolent Intent

Monopoly Inquiry Chairman Urges Business Men to Drop Fears

Basis for hoping that the federal monopoly investigation will not involve tossing insurance companies to the lions may be inferred from recent utterances of Senator J. C. O'Mahoney of Wyoming, chairman of the investigating committee, particularly his address before the National Advertisers Association's annual convention. In the latter address Senator O'Mahoney vigorously denied that his committee intends to seek victims for punitive action or that there would be any grilling of prominent figures.

Senator O'Mahoney reiterated previous statement that the committee is merely trying to "find out what's wrong with our economic system." He pointed out that the original resolution creating his committee called for not only an investigation of monopolistic practices by business but of the effect of government policies on business. He said that the tremendous industrial development of the last half century gave rise to important social and economic changes and has produced a lack of coordination between government and business.

Seeks Business Freedom

Senator O'Mahoney said that there can be no substantial recovery until business is set free from all forms of control, financial and political. This reference to financial control indicates the reason why life company operations were included in the committee's studies, the theory being that because of the huge volume of funds they control life companies could exercise a form of financial control over business operations.

The assumption of most business men that the monopoly inquiry would be something of a witch-hunting expedition launched more with a view to "proving" the need of New Deal theories than for a sincere effort to find out what is holding back recovery, has evidently got under Senator O'Mahoney's skin. In his addresses he has repeatedly appealed to his hearers to lay aside their preconceived notions and prejudices as to the program of his committee. Most executives whose businesses would be covered by the monopoly investigation's scope, though perhaps willing to concede Senator O'Mahoney's sincerity, are not too trustful that his benevolent intentions will control the proceedings when the hearings actually get under way.

Cancel Coverage on Wheat in Storage

WASHINGTON, D. C.—Changing its plans for the handling of wheat paid in by farmers as premiums for insurance under the federal crop insurance program, the Federal Crop Insurance Corporation has canceled a contract made last summer with the Northern Assurance, covering such wheat in storage, it was learned this week.

Officials of the corporation explained that so far much less wheat has been received than was expected, insured farmers apparently selling their wheat and paying their premiums in cash rather than sending it to storage and turning in the warehouse receipts. Under the act, farmers are permitted to pay premiums either in cash or in kind, whichever is most convenient.

As a result of cash payments being heavier than anticipated, the corporation felt it inadvisable to keep the premium wheat in storage in a large number of warehouses throughout the country, and has adopted the practice of having the

Strong Chance for Finance Peace

Solution Seen Probable on Basis Proposed by Palmer of Illinois

NEW YORK—At long last there is strong probability that a satisfactory plan for writing automobile finance business will become an actuality. Insurance Director Palmer of Illinois outlined his ideas on the subject, and these were favorably considered by the committee of seven company officials to whom they were submitted in Chicago. The committee intends to hold a further conference here within a short time, when, working from the basis proposed by Mr. Palmer, it is expected a detailed plan will be evolved.

Headache to Companies

The subject of finance business has been a headache to managers and agents the country over for years. Considerable ill feeling in connection therewith has been engendered at various times. Plan after plan for reaching a common agreement has been proposed, both by companies and by agents, and again jointly by managers and agents, but up to now without profitable result. Director Palmer gave attentive study to the problem from its different angles, and offered suggestions which it is now felt supply a basis for a harmonious working program.

The objective of Director Palmer is to reduce the acquisition costs which he found to be unduly high from the questionnaire he sent out. The special committee met with officials of the Illinois department in Chicago Friday and it was announced that progress was being made in the solution of the problem.

St. Paul Agents Close Up Details of the Convention

ST. PAUL—Business details of the 1938 National Association of Insurance Agents convention at St. Paul were being wound up this week as far as the St. Paul end of it is concerned. Members of the general committee of the Insurance Exchange which handled the local arrangements met Monday to pass on bills and other details.

"We were well satisfied with the way the convention was handled," said John P. McGee, president of the exchange. "Our expectations were fully met and we feel well repaid for the four months of hard work we gave to the meeting."

The official registration was put at 1,720, including the women.

The golf tournament at the Town & Country Club Friday following the convention proved highly successful. Approximately 125 took part with J. Warren, New York City, and C. I. Long, vice-president of Marsh & McLennan, Minneapolis, tying for first honors with a score of 76. J. B. Miller, assistant secretary of the National Association of Insurance Agents, was awarded a special prize for getting nearest the cup from tee on the 18th hole.

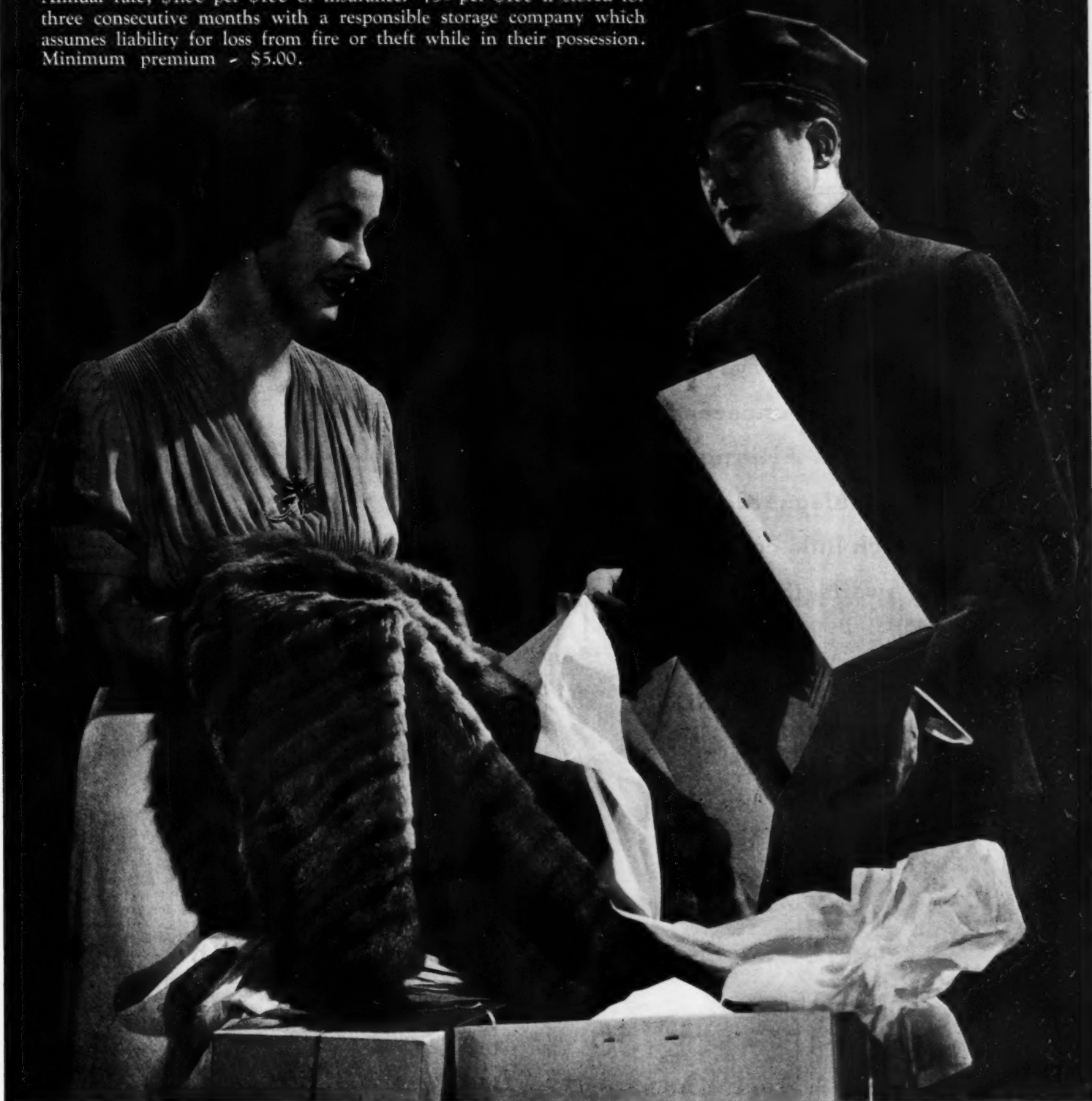
local representative sell the warehouse receipts turned in by farmers paying their premiums in wheat, sending the money in to the corporation, which then buys wheat in terminal storage, where it is already insured under contracts which have been made in the past with the warehouses.

While it had not been determined whether there will be any actual saving to the government in insurance costs, the new plan is simpler and there will be a saving in administrative expense, it was said.

FUR TIME and time to sell fur owners

America Fore's All-Risk Personal Fur Insurance

Annual rate, \$1.00 per \$100 of insurance. 75¢ per \$100 if stored for three consecutive months with a responsible storage company which assumes liability for loss from fire or theft while in their possession. Minimum premium - \$5.00.



America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

"STOP FRETTING ABOUT YOUR FURS"

is the common-sense counsel in the headline of Alliance national advertising for October. Furs worth having are worth insuring, the message sensibly continues. Furs are precious; risks are great. It's needless for owners of nice furs to let constant worry rob them of pleasure. It's so unnecessary, too, because an Alliance Fur Floater policy safeguards so completely, at such little cost. Richer enjoyment awaits the fur owner who will

"ASK THE ALLIANCE AGENT"



THE ALLIANCE INSURANCE CO. of PHILADELPHIA

Head Office: 1600 Arch St., Philadelphia
New York Office: 99 John St., New York City
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 222 Sansome Street

Peace Pact Means Much to Insurance

President Smith of Home Reviews European Situation in Washington Talk

WASHINGTON, D. C.—At a luncheon here President H. V. Smith of the Home group introduced Vice-president G. E. Allen to some 85 officials and field representatives of the associated companies from the district. Maryland and Virginia.

In addition to paying high tribute to the special guest, Mr. Smith spoke interestingly of his impressions gained during the European trip from which he lately returned.

"I am convinced that no one of the continent really wants war, though all fear it," he said. He then referred to the efforts being put forth by the prime ministers of the four powers to avoid resorting to armed conflict, since happily avoided.

Mr. Smith then presented the insurance point of view on the situation briefly as follows:

"Such situations could not help but have repercussions on a business which depends on the law of averages and normal conditions for its greatest security. Please do not misunderstand me. Insurance companies have weathered such disasters before, including the most destructive forces known to man. However, I wish to stress the fact that someone has to pay for these great losses. Under the democratic principle of insurance, losses are distributed over the largest possible number in order to reduce the burden on the individual. Still, every person directly or indirectly affected by insurance will suffer because of the vast losses."

Mutuals Gather in Sessions at Syracuse

(CONTINUED FROM PAGE 4)

Progress in government crop insurance was outlined by William H. Rowe, of the bureau of agricultural economics. Aug. 31 was the closing date for accepting applications on winter wheat except for the far west. There were 180,000 applications received from 20 states covering 1930-1937 average wheat acreage to percentages ranging from 13 percent in Michigan to 28 percent in Iowa. The policy is "all risk" coverage against unavoidable hazards. The insurance plan is one of yield insurance. For example, if a farmer's average yield for a 10-year period is 12 bushels and he selected 75 percent coverage, he would be assured a yield of nine bushels. He would be indemnified for the difference between anything less than nine bushels and the actual yield. Each farm has a separate premium rate, determined by averaging the crop loss experience for the farm with the crop loss experience for the county. Premiums may be paid in warehouse receipts for acceptable grain. Cash premiums are invested in stored wheat. Liabilities of the insuring corporation are also in wheat, not cash. Thus changes in wheat prices do not affect the ability to meet losses. Leroy K. Smith, wheat farmer from western Nebraska, is the acting manager of the insurance corporation.

In his address on underwriting guest liability, Charles W. Leftwich, Farm Bureau Mutual, Columbus, Ohio, said the premium charge for guest liability had to be considered largely on the basis of the statutes and court interpretations of them. Universal forms broad enough to satisfy the assured's protection in any state seem most desirable, he declared. He cited the Ohio supreme court decision which held "when parties join in meeting the expenses of a trip made for their mutual pleasure, interest or benefit, the purpose of the trip on the part of the owner of the

automobile is not the carrying of passengers for compensation, and such transportation is not within the provisions of an insurance policy prohibiting the carrying of passengers for a consideration" as a guide that underwriters should accept. He said the standard policy does and should continue to cover like situations. He advocated protecting the policyholder against losses due to the normal use of a private passenger car, substituting for the word "consideration" some word more comprehensive but sufficiently limited to rule out commercial passenger carrying operations.

Edward N. Thompson, president Federal Land Bank, Springfield, Mass., stated that of the first 529 losses reported to that bank as a result of the hurricane Sept. 21, only one was insured. He estimated that one billion feet of timber had been blown down in New Hampshire alone.

A comprehensive revision of the standard fire policy was favored by Superintendent L. H. Pink of New York, but he said too few in the business will go along willingly on that program. He would like to have done what appears possible by amendments as outlined by the insurance commissioners in their report. Mr. Pink spoke after Chase M. Smith had outlined the position of the Federation of Mutual Fire Insurance Companies as favoring a new policy, including all principal coverages written by fire companies to be designated where applying by filling out schedules.

A discussion on public relations disclosed mutuals may return to more institutional advertising which was their first approach several years ago.

A. M. Best mentioned four problems as deserving attention of all companies: First, improved public relations by setting up and distributing companies' financial statements to disclose more readily relation of interest on reserves to company operating profit. He advocates placing this interest with underwriting returns. Over a period of recent years he said stock casualty company underwriting losses of 114 millions were offset by 102 millions of interest earned on reserves.

Second, he urged more uniformity in state laws setting requirements for writing non-assessable policies, with special emphasis on minimum surplus graded according to business done rather than on flat minimum basis, which offers loopholes to careless or unscrupulous management. Third, should attorneys succeed in forcing companies to use their services on a fee basis for adjusting, Mr. Best estimated adjustment expenses would rise to five times the present cost, which he described as reasonable—9 percent of earned premiums for casualty companies and 2 percent for fire companies.

The long haul truck problem is the fourth. Premiums from the 250,000 operators should aggregate 250 millions annually. Unless private carriers solve the problem he predicted government entry into the field. Chief expense of handling is for driver investigation and safety work, and this he suggested might well be handled by a single organization representing groups of companies.

Harry E. Stone, Lumber Mutual, Boston, and E. K. Collett, Millers Mutual, Fort Worth, were elected federation governors.

The town and city group organized a separate unit and elected Frank P. Tucker, New York Cooperative, Albany, as first president. Elected as chairman of the farm group is Frank T. Barlow, South Kansas Mutual, Wellington, Kan. Fred C. Cromer, Los Angeles Mutual, is the new farm group member of the national association board of directors.

Harold S. Evans, Allied Automobile, Des Moines, was elected chairman of the automobile group. E. W. Sawyer, Liberty Mutual, Boston is a group member of national association directors.

A. E. Anderson, Cottonwood, Minn., will be elected president of the national association.



INTERFERENCE

in football is one thing

On the gridiron, games are sometimes won because of good interference given players carrying the ball. But in business, interference with normal operations may result in serious consequences.

Tangible property, such as buildings, equipment, fixtures and merchandise, is usually protected by insurance. But if there should be interference with normal operations as a result of a serious fire, explosion or other catastrophe, would earnings — the life blood of the business — be insured? What about the many continuing expenses such as interest charges, taxes, salaries, insurance premiums, contracts, etc.?

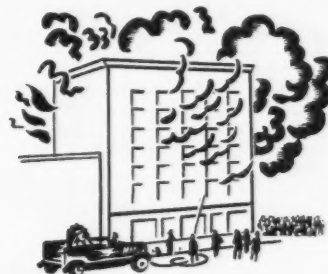
INTERFERENCE *in business* IS QUITE ANOTHER

You will find our facilities for helping agents develop Business Interruption Insurance, as well as all other forms of Fire, Allied Fire, Inland and Ocean Marine coverages, complete, convincing and up-to-date.

**THE AUTOMOBILE INSURANCE COMPANY and
THE STANDARD FIRE INSURANCE COMPANY**
OF HARTFORD, CONNECTICUT

*Affiliated with the Aetna Life Insurance Company
and The Aetna Casualty and Surety Company*

BUSINESS *Interruption* INSURANCE



ELIMINATES LOSS BY INTERFERENCE

In the event that fire, explosion, wind-storm and certain other hazards interfere with the continuing operations of a business, Business Interruption Insurance substitutes for the earnings that would otherwise have been established had no interference occurred.

Every successful business needs this protection. The cost is reasonable — sometimes less than that charged for Property Damage Insurance.

Are you urging your clients to protect their business with Business Interruption Insurance or Use and Occupancy Insurance?

ALL FORMS OF FIRE AND MARINE INSURANCE



VIEWED FROM NEW YORK

By GEORGE A. WATSON

EDUCATIONAL COURSE

That the on-coming generation of insurance men is keenly appreciative of the opportunity afforded by the courses of the Insurance Society of New York, for equipping themselves for positions of increased responsibility in their chosen line of work was attested through the attendance of nearly 400 young men and women at the meeting in New York City inaugurating the new school year. Over 800 have already enrolled for the several courses and others are expected to do so within a short time.

Features of the general gathering on

Monday were the talk by President H. H. Reed, outlining the aims and accomplishments of the society; the address of Hendon Chubb, head of Chubb & Son, and the awarding of scholarship prizes to winners in last year's tests.

"Insurance," Mr. Chubb said, differs from any other business in that indemnity is purchased for security, and assured are more concerned with that feature today than any other. To justify confidence on the part of property-owners, the insurance business, he declared, must be administered by men with a background of knowledge. To knowledge, the successful underwriter

must possess character, intelligence and the ability to concentrate on his work. In addition one must follow closely trends in every changing business requirements and be in position to supply them; a result that may best be attained by young men and women completing the study course afforded by the society. It is from the ranks of the generation of today, he said, the leading underwriters of tomorrow will come.

As chairman of the committee on awards, J. J. King, president of Hooper-Holmes Bureau, presented prizes based upon examinations held last April.

GET EUREKA-SECURITY

The Ross Underwriters, 111 John street, New York City, have been appointed metropolitan agents of the Eureka-Security Fire & Marine, which is one of the Pearl fleet. George H. Ross is president of the agency, and his brother, Gerald, is secretary and treasurer. James Gaynor is manager. An agency is also conducted at 147 Montague street, Brooklyn.

TO WATCH WORLD SERIES

As has been his practice for a number of years, Charles Weller, secretary of the North British & Mercantile in New York, has invited the local brokerage fraternity to visit the club room of the company and witness a play-by-play radio broadcast of the world series baseball games, when that contest is on.

A. J. SMITH ON VACATION

A. J. Smith, head of Zweig, Smith & Co., New York City local agents, president of the New York City Association of Local Agents, attended the meeting of the National Association of Insurance Agents in St. Paul and has gone to Augusta, Ga., for a vacation.

FORUM DISCUSSIONS

The first of a series of intended forum discussions upon business production methods, programmed by the Insurance Brokers Association, was held at its offices Oct. 3, over 70 office managers from brokerage houses being present. Practical talks on business selling were made by Oscar Beiling of the Royal-Liverpool group, and W. A. Edwards of the brokerage firm of William Stake & Co., following which the subject was discussed from various angles from the floor. The purpose of the sponsors of the move is to make all identified with brokerage houses, whether as accountants or in other capacity, business production-minded, and to point out where in the entire force of employers may coordinate their activities toward the attainment of a common end, that of increasing insurance sales.

John G. Seidel, secretary Milwaukee Board and the Wisconsin Association of Insurance Agents, has been named chairman of the art committee of the Milwaukee City Club.

New Radio Series Being Sponsored by St. Louis Board

ST. LOUIS — The St. Louis Board is sponsoring a "Captains Adventures" series of 30 minute radio broadcasts on Monday evenings at 6:30 over Station KSD, starting Oct. 17.

Each presentation in the series will feature an interview with a member of the St. Louis fire department, the underwriters salvage corps, police department, hospital division or insurance board, leading up to the dramatization of some outstanding episode involving outstanding insurance service in which the person interviewed has participated.

The concluding portion of each broadcast will be high-lighted by a talk on some important phase of stock insurance, delivered by a member of the St. Louis Board.

The first broadcast will feature an interview with a veteran captain of the St. Louis fire department who recently completed 50 years of service in the department. This interview leads into a dramatization of one of the most tragic fires in the history of the St. Louis fire department—the destruction of the Missouri Athletic Club in 1914. Other episodes in the series will cover other outstanding events in which stock insurance was the real hero, involving tornadoes, floods, earthquakes, arson, accidents, bank robberies, embezzlement, etc.

Will Tell of Service

At the conclusion of the first radio broadcast J. W. Roger, manager of the St. Louis Board, will talk on the aims of the board and the service that its members offer to the community.

So members can hear the initial broadcast, the Missouri Association of Insurance Agents, which is holding its annual meeting in St. Louis on Oct. 17-18, has changed the time for the banquet on Oct. 17 to 7:30 p. m.

Arrangements for the radio series was worked out by Briggs A. Hoffmann, vice-president and sales manager of Lawton-Byrne-Bruner Agency, who is chairman of the publicity and public relations committee of the insurance board in cooperation with Ed Payro of Station KSD.

With a view of making the series of radio broadcasts national in scope, Mr. Hoffmann and Mr. Payro are having a conference at Hot Springs, Va., this week with John Thomas, chairman public relations committee of the National Board, and John Harding, chairman publicity committee of the Western Underwriters Association.

J. Gilbert Leigh, Little Rock general agent, will address the convention of the Arkansas Savings & Loan League in Little Rock Oct. 21.

"Where's that Agent's card"



Ah, but it is too late to insure the car after it is stolen—and over 100,000 are stolen every year. Northern agents are on their toes and sell their clients automobile insurance before the loss occurs. It will pay you to represent the

NORTHERN INSURANCE COMPANY
83 MAIDEN LANE
NEW YORK, N. Y.

HANOVER

OPPORTUNITY for you to write MORE Business is what YOU desire.

OPPORTUNITY for US to help is all we ask.

Join the HANOVER FAMILY and let us work with you.

\$4,000,000 CAPITAL JAN. 1, 1938

\$9,213,048 POLICYHOLDERS' SURPLUS

\$15,527,853 ASSETS

LOSSES PAID SINCE ORGANIZATION \$67,049,361

The HANOVER FIRE INSURANCE COMPANY of New York



COPYRIGHT 1932 BY INS. CO. OF NORTH AMERICA

This month's North America national advertising points out that the lesson to be learned from Fire Prevention Week is three-fold: "(1) prevent fire by care; (2) prevent fire's financial penalty by adequate fire insurance; (3) protect yourself against those other insurable hazards that can and may cost you money." Month after month, North America advertising urges the need of a *complete* insurance program . . . and thus plants seed for the sale of many additional coverages.

See our advertisement in the October
3rd issues of LIFE and TIME, and
October 1st issue of BUSINESS WEEK.

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA

and the

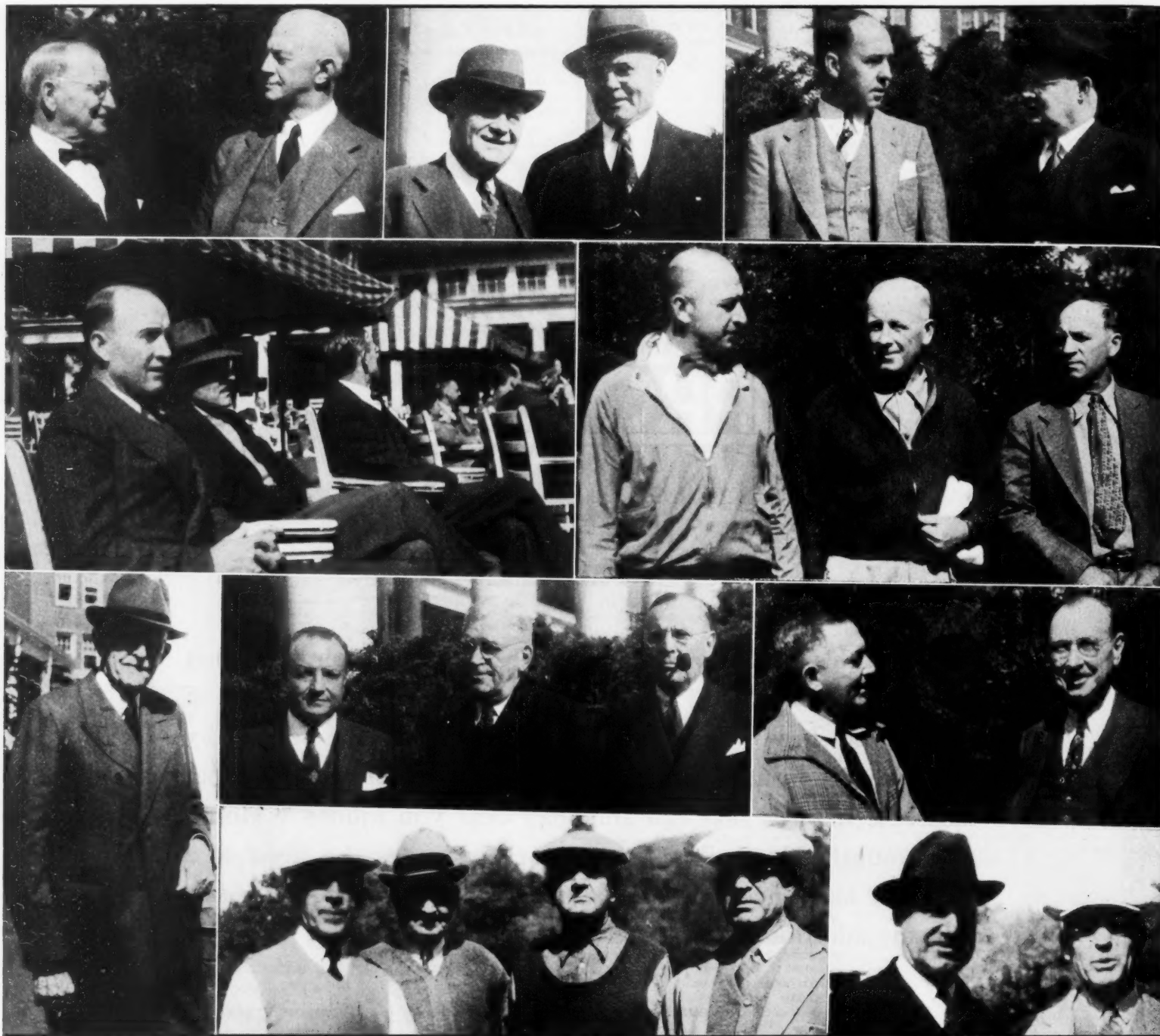
INDEMNITY INSURANCE CO., of NORTH AMERICA

Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$67,000,000



PICTURES TAKEN AT WHITE SULPHUR SPRINGS, W. VA., MEETING OF WESTERN UNDERWRITERS' ASSOCIATION

First row—C. F. Thomas, secretary Western Underwriters Association; W. P. Robertson, general western manager North America; Fred M. Gund, Freeport, Ill., western manager Crum & Forster; Wilfred Kurth, chairman board Home of New York; E. H. Born, assistant manager Western Underwriters Association; E. G. Frazier, Chicago, secretary Springfield F. & M.

Second row—Earl Patton, New York, western general agent Northern Assurance; K. S. Ogilvie, New York, western manager Norwich Union; Forrest Geneva, Des Moines "Register & Tribune."

Third row standing—C. R. Tuttle, retired western general manager North America; A. E. Gilbert, New York, vice-president Hanover; Fred A. Hubbard, president Hanover; W. K. Maxwell, Chicago, resident vice-president Hanover; E. M. Schoen, western manager Atlas; G. H. Grear, attorney, Chicago.

Fourth row—Carl Sturhahn, president Rossia; G. H. Bell, western manager National Fire; F. C. White, vice-president Hartford Fire; Clem Wheeler, western manager Hartford Fire; C. S. Kremer, vice-president Hartford Fire.

By Staff Photographer.

Vernor and Taylor Have Full Week of Addresses

R. E. Vernor, manager fire prevention department, Western Actuarial Bureau, Chicago, and J. Burr Taylor, special representative of the department, have a full schedule of addresses over a wide territory in the central west during Fire Prevention Week. Mr. Vernor this week addressed the Chicago Engineers Club on "The Red Carnival." Sunday evening he will speak before the Northminster Fellowship, a group of young men and women of the Fourth Presbyterian Church, Chicago, on "Tribute to Moloch."

His Fire Prevention Week schedule is: Monday, Aurora, Ill., before Lions club; Tuesday, Lexington, Ky., service

clubs; Wednesday, Louisville, service clubs; Thursday, Hopkinsville, Ky., service clubs; Friday, Madisonville, Ky., service clubs.

Mr. Taylor's schedule is: Monday, Wausau, Wis., chamber of commerce and service clubs; Tuesday, LaCrosse, Wis., Lions club; Wednesday, Minneapolis, junior association of commerce; Thursday, Pekin, Ill., service clubs; Friday, Western Springs, Ill., mass meeting under auspices of fire department.

Fire Prevention Week will be very generally observed all over the country, with special meetings sponsored by field men's and local agents' organizations.

G. Y. Travis, 69, who sold his insurance business at East Liverpool, O., three years ago when he retired because of ill health, died from a heart attack.

Plan to Put California Tax on Direct Writing Basis

Companies and agents are planning actively to support proposition No. 6, for a constitutional amendment to be put to vote Nov. 8 in the general election in California, which would change the plan of premium taxation by placing it on a direct writing basis. Under this proposal the company originating the business would pay the tax on the entire premium, then would get credit from its reinsurer for the tax paid on the reinsured portion of the premium.

To avoid double taxation the amendment provides reinsurance premiums shall not be subject to tax. Company officials report the amendment would be beneficial to insurance companies, set-

ting at rest the question which came to an issue in the now famous Connecticut General Life case in California.

Deals With Farm Hazards

Cravens, Dargen & Co., general agents at Houston, have put out a pamphlet devoted to fire prevention which covers conditions and classes of construction peculiar to Texas. It will be distributed to their local agents and in some cases direct to farm policyholders. It has to deal particularly with the farm hazards.

Mrs. Fay Packard Moore, 53, who retired last October as claim adjuster for the O'Brien-Hobart agency of Kansas City after being with the firm 20 years, died there.

AS SEEN FROM CHICAGO

GALLAGHER LEAVES FOR EAST

V. L. Gallagher of Chicago, western manager of the Pearl Assurance group, who goes to the head office in New York City in an executive position, left this week for the east accompanied by Mrs. Gallagher. They will hereafter make their home in New York City. Twenty-five of the office force tendered Mr. Gallagher a farewell dinner presided over by F. G. Kruger, assistant manager, who now takes charge of the department. Mr. Gallagher was presented with a 17 jewel Swiss chronometer wrist watch especially designed for mariners' use. Mr. Gallagher is an enthusiastic yachtsman. He has sold his boat that he sailed in the Chicago waters. The class 1 agents of the Pearl group tendered him a dinner presided over by Hamilton M. Loeb of Eliel & Loeb, Mr. Kruger being also a guest of honor. Mr. Gallagher was presented with a French antique liqueur set in a very handsome cabinet, there being four decanters and 16 glasses. The Gallaghers' son, Thomas N., is in Todd School at Woodstock, Ill., and will remain there. They have a married daughter living in New Rochelle, N. Y.

Mr. Gallagher attended the meeting of the National Association of Insurance Agents in St. Paul last week and had charge of the headquarters of his group. He returned to Chicago and took a final sail on the lake before leaving for New York City.

HEBERT NAMED BY ALLIED

The Allied Agency of Chicago has appointed Ray Hebert as underwriting supervisor. He has had 11 years insurance experience in home office, general agency and brokerage offices, starting with the Commercial Union. When the western department was moved to New York, Mr. Hebert went with the Atlas Assurance underwriting department in Chicago, then for six years was connected with the W. F. Cameron & Co. general agency. Subsequently he was in the Alfion Bahr & Co. office in Chicago. He will devote some time to outside production.

OPERATE SEPARATELY

Chase Conover, formerly with the Illinois insurance department, has organized the new accounting firm of Chase Conover & Co. It will specialize in insurance accounting, auditing and system work. This succeeds the firm of Conover & Green. W. C. Green, who also was connected with the department, will continue his consulting actuarial work in the same office. Both are located at 135 South La Salle street, Chicago.

LIFE MEMBERS' MEETING

The entertainment committee for the annual meeting of the Life Members Society of the Northwest Association to be held at the Hotel La Salle in Chicago the evening of Oct. 25, consists of Clarke Munn, manager Cook County Loss Adjustment Bureau; Roy Nicholson, Wisconsin state agent Michigan F. & M., and W. J. Tippery, assistant western manager Aetna Fire. The meeting will be open to all members of the Fire Underwriters Association of the Northwest. W. K. Maxwell, western manager of the Hanover, is head of the Northwest body and it will have a brief session.

CLUB IS AGAIN ACTIVE

Members of the Insurance Club of Chicago and insurance press were invited to express their views at the first fall meeting of the organization as to ways and means of making that body a more potent factor among insurance people and interests of the city. The club is entering its 37th season. Following a number of short addresses, W. F. Kuffel, Phoenix of Hartford, president of the organization, turned the meeting into an open forum, calling for

volunteer suggestions. A number of worth while recommendations as to plans for increasing membership, stimulating interest in programs and improving the morale of the organization generally, were advanced. It is planned to incorporate much of the opinion of members in the club's setup for the coming term. C. P. Kuffel, Fred S. James & Co., presented an outline of the program as approved by the board of directors. The club is making a serious effort to bring before the Chicago fra-

ternity during the 1938-39 term some of the most outstanding speakers in their respective fields in Chicago.

Thomas Cooper, independent broker and president of the club, 1908-09, was voted to head the list of honorary members of the organization.

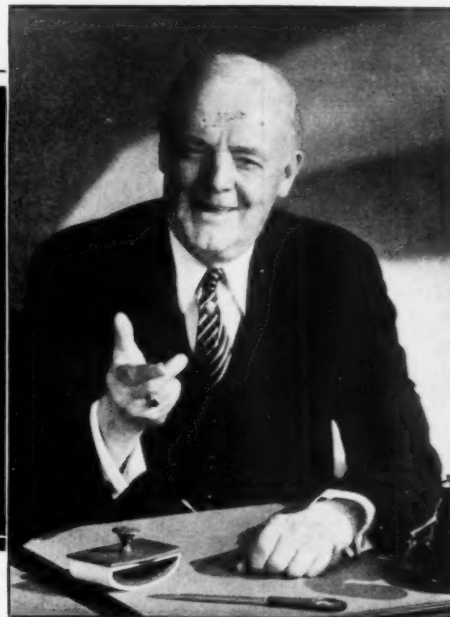
BROKERS WIN FEE FIGHT

The Insurance Brokers Association of Illinois appears, by an order signed this week by Judge Niemeyer of Chicago, finally to have won its long controversy with the city government over the broker's license fee. Judge Niemeyer ruled that an injunction secured by the asso-

ciation in 1933 against the city collecting the fee was final, and he dismissed proceedings brought by Corporation Counsel Hodes to set aside the injunction.

This issue has been kicking about for at least 15 years. Some years ago the association employed counsel and fought application of the license fee ordinance through successfully to a supreme court decision which appeared to end the matter, but since then perennially it has been revived by the corporation counsel's office in an effort to get in the money. On a number of occasions municipal courts warrants were issued against large lists of brokers in an ef-

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fort to whip them into line. They were haled into court but through efforts of the association in most cases were able to stave off paying the fee.

The association took the stand that insurance brokers did not have to pay the \$25 fee to operate when real estate brokers for \$25 fee were authorized not only to do a real estate business but also sell insurance. More recently effort was made by the association to reach an agreement with the corporation counsel's office reducing the insurance brokers' fee to about \$12.50 but this was not successful. Few if any brokers association members ever paid the fee, but many nonmember brokers feared court complications and paid up.

The association sought to have payment of the fee placed on a qualification basis, similar to state brokers' qualifications, but for some reason the corporation counsel's office was unwilling or unable to do so. The association took the stand that members were willing to pay the money if they received something worthwhile for it, such as elimination of unequal, irresponsible brokers. The association was represented by Follansbee, Shorey & Schupp, attorneys, John E. Gavin and Gerhardt Jersild of that firm having direct handling of the case.

The brokers' annual meeting will be held Oct. 20, starting at 2:30 p. m. in the Chicago Board auditorium. Two speakers from outside are scheduled. There are some ten directors to be elected. The special committee on commission and rate matters under W. J. Robbins, chairman, will report. C. A. Berger, president, will preside. Officers are not elected at this annual meeting but are later elected by the new board.

FURNISH INSPECTION REPORTS

Three merchants' credit bureaus in the Chicago territory have gone together on a cooperative basis to furnish insurance inspection reports. These are the Retail Merchants Credit Bureau of East Chicago, Hammond Credit Bureau of Hammond, Ind., and Gary, Ind., credit bureau. L. H. Osgood, casualty and inspection bureau man of some six years insurance experience, has been appointed manager, headquarters being at 4618 Lagoun avenue, East Chicago. The service will cover the north end of Lake county. It is planned to give casualty, fire and life inspections on the same basis as private inspection companies. Mr. Osgood recently has been with National Service & Appraisal Co.; before that with the Commercial Service Bureau, Fred S. James & Co., and the American Indemnity's branch in Chicago.

MURRAY WITH DEPARTMENT

W. M. Murray, former Chicago agent who went to San Francisco and then returned to Chicago, has become associated with the Illinois insurance department, being connected with the fire insurance division. Mr. Murray's old firm was Jens, Murray & Co. It merged with Fred S. James & Co. He then joined the Pacific Coast office of James & Co.

VISIT IN CHICAGO

A. E. Phelps, assistant general manager Royal Exchange at the head office in London, B. B. Fisher, foreign fire manager there, accompanied by E. W. Elwell of New York, United States manager, were in Chicago last week visiting Branch Manager R. B. McClure and the Chicago agencies of the group.

CRITCHELL, MILLER OUTING

Critchell, Miller, Whitney & Barbour, class 1 agency of Chicago, held an office outing at Shawnee Club near Wilmette, Ill., this week. In the afternoon there were ballgames, horseshoe pitching, bowling and cards. A dinner was held at which C. S. Pellett, of the firm was toastmaster. After dinner a business and educational meeting was conducted. An interesting feature was the taking of a group picture, in which all

present were in position at the table according to their length of service. Of the 130 attending, 80 had had 10 years' service or more, 55, 15 years or more; 24, 20 years or more; 19, 25 years or more, and there were nine whose service dates back before 1900, including Mr. Pellett, L. M. Drake and N. J. Bennett, all of whom have been in the business for 40 years or over connected with Critchell, Miller or its predecessor firms.

MABEL L. GORE LEAVING

The engagement of Mabel L. Gore, secretary and office manager of R. A. Napier & Co., prominent Chicago agency, to John Watson of Port Huron, Mich., has been announced. Miss Gore has been associated with the Napier agency for 33 years, having started as a policywriter in 1905. She was the second woman to receive a class 1 membership in the Chicago Board. She will remain with the agency until about Nov. 10 and will be married a short time later. Mr. Watson is prominent in business and civic affairs of Port Huron, is chairman of the St. Clair county road commission and executive vice-president of the Huron Pipe & Supply Company.

DR. BRADLEY IS SPEAKER

Dr. Preston Bradley, famed Chicago clergyman, will address the 26 Club of that city at its next meeting Oct. 28. C. A. Bradley of the Auto Bancplan will be chairman of the meeting.

DEATH OF ARTHUR S. HALL

Arthur S. Hall of Chicago, assistant branch secretary of the western department of the Atlas and Albany, died suddenly at his home Monday evening from a heart attack. He was at his office that day, ate dinner in the evening and died within an hour afterward. He was 56 years of age and is survived by Mrs. Hall, daughter, Isabelle, and his mother. He was born at Beaver Dam, Wis., May 5, 1882. He entered his insurance career with the Hanover's western department, then went to the Atlas western office. He was appointed special agent of the Svea, traveling in Wisconsin and Illinois with Milwaukee as headquarters. Later he was appointed Wisconsin state agent of the Atlas.

The funeral will take place from Smith & Maginot undertaking parlors,

NEWS OF FIELD MEN

Herbert Taylor Made Assistant Adjuster of the Home Fleet

NEW YORK—The Home and Affiliated companies announce the appointment of H. C. Taylor of Richmond, Va., as assistant general adjuster, effective Nov. 14 after which time Mr. Taylor will be domiciled at the headquarters in New York City. A native of Richmond and connected with the Home for a number of years, he will surrender the Virginia state agency to assume the new connection. Hunter M. Gibbons, senior special agent under Mr. Taylor will succeed to the state agency. He has been associated with the company since 1920.

Seek Changes in Rules

DENVER—The Mountain Field Club met this week for a program of reports by three Business Development committees. It was the largest turnout of the year, with 51 present. Speakers were Arthur O'Mara, Roy D. Wilcox

1732 West Wilson avenue, Chicago. Thursday at 3 p. m. The interment will be at Beaver Dam, Wis.

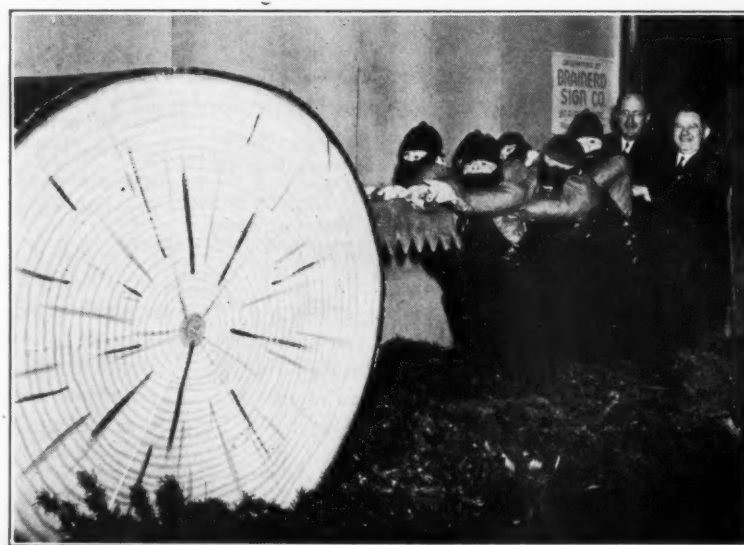
INSURANCE HANDBALL LEAGUE

Registration for the Insurance Handball League of Chicago is required by Oct. 18, according to P. W. Frelich, Corroon & Reynolds, who is in active charge of arrangements for the league. At that time a meeting will be called to complete final details as to the fall and winter schedule.

Carl A. Berger, president Insurance Brokers Association of Illinois will be guest speaker of the St. Louis Association of Insurance Brokers at meeting there this week, on "Member Relationships in Insurance Brokers Associations."

Arthur H. Jens, Springfield Fire & Marine engineer in the Chicago office, was married to Miss Evelyn M. Heckendorf of Milwaukee.

EXPERT AT SAWING WOOD



At the Paul Bunyan party given at the St. Paul convention of the National Association of Insurance Agents sponsored by the First Bancredit Corporation, one feature that attracted much attention was the robots sawing a huge log of wood. In the picture to the left is L. M. Lilly, president First Bancredit, and John L. Mylod, assistant United

States manager North British & Mercantile, evidently expert lumbermen. There were 1,654 people fed at the lumberjack spread which consisted of frankfurters, corn bread and molasses, baked beans and coffee. Features of the meal were real Bunyan sized twists of sourdough bread and three-foot-wide apple pies.

Agency, on "Fire Prevention Week"; Guy Shirley, Automobile Protective & Information Bureau, "The Automobile Safety Council," and Fred Lanagan, Daly Agency, head of the rules and forms committee, on "Recommendations for Changes Desired in Rules." Mr. Lanagan brought up several obsolete forms, alterations of which could benefit the club's activities, in a half-hour open forum discussion. The results will be presented in a brief to the Rocky Mountain Supervisory Committee, which meets here Oct. 10-13.

In the absence of J. C. Burt, agency advisory committee head, Howard Reynolds reported on the two recent Business Development meetings held at Casper, Wyo., and Santa Fe, N. M.

Ohio Field Men Hold Speaking Sessions

The Stock Fire Insurance Speakers Association of Columbus has arranged a program for meetings to be held in Columbus the next eight weeks. At a meeting a few days ago F. G. Lisle, North British & Mercantile, talked on unearned premium indorsement, civil authority clause and the fallen building waiver, while J. W. De Cesna, Royal, discussed the social aspects of insurance. H. L. Rubrecht, St. Paul Fire & Marine, explained how to make a fire prevention inspection. At the meeting Oct. 3 A. S. Snow, Camden, had for his theme extra expense insurance, and M. F. Johnson, Rhode Island, showed that service is the most effective weapon. Eugene Gallagher, Ohio Inspection Bureau, talked on "Protection Credits for Outside Risks."

Oct. 10, vandalism and malicious mischief cover will be discussed by D. P. Hague-Rogers, Eagle Star, and rate servicing by B. F. Flood of the Royal. "Fire Prevention on the Farm" will be the subject of B. S. Curran, Continental.

By delivering addresses at meetings of the club, the members have developed the ability to make public speeches and it is believed that this will be of great value in the future in addressing insurance meetings and fire prevention groups.

Woolard Made Honorary Blue Goose Life Member

Col. Sam F. Woolard, retired state agent of the American Central and Commercial Union was made an honorary life member of the Blue Goose at the Sunflower puddle meeting in Wichita this week. W. F. Ehret, America Fore, most loyal gander, made the presentation, John Kelly of the Wheeler, Kelly, Hagney Agency and H. R. Johnston of Dulaney, Johnston & Priest, long time associates of Mr. Woolard, were special guests and made short talks.

Mr. Woolard, who retired from active work May 1, 1935, first entered the field in 1893 for the American Central, pioneering in Kansas. In subsequent years Nebraska, Colorado, Wyoming, New Mexico, Indian Territory and El Paso, Tex., were added to his field. Later his territory was reduced to Kansas, Colorado, Wyoming, New Mexico, Oklahoma and Indian Territory. Prior to his retirement he had handled only Kansas for the American Central, which field he supervised continuously for 42 years' and from March 1, 1931, until his retirement he also represented the entire Commercial Union fleet for half of Kansas. A year ago he was made an honorary life member of the Kansas Association of Insurance Agents.

Dinner for Reynolds

DENVER—The Colorado Blue Goose was host to Howard Reynolds, Home of New York, at a dinner in honor of his election as grand keeper. Fifty

members attended, including four out-of-state visitors: George W. Lilly, general manager Fire Companies Adjustment Bureau, New York; G. W. Kemper, manager accident and health division Fireman's Fund Indemnity, San Francisco; Phillip Kingsley and R. S. Lawrence, Fireman's Fund, Albuquerque, N. M. The weekly Blue Goose luncheons have been resumed.

Morrison With Hanover

Clyde R. Morrison has joined Hanover Fire as special agent in Michigan, assisting State Agent Ben Phillips, Jr. He takes the place left vacant by the resignation of Edward J. Klima. Mr. Morrison is a native of Michigan and has been connected with the Michigan Inspection Bureau for the past few years. His headquarters are 519 Free Press building, Detroit.

Sunflower Puddle Outing

The Sunflower (Wichita) Blue Goose puddle held a stag at the summer cabin of George Landers, state agent of Northwestern Fire & Marine, on the Little Arkansas river, north of Wichita. The entertainment committee included G. M. Montgomery, Western Adjustment; Willard Quinn, of Kansas Underwriters, and Hughes Cunningham of

Sheffer-Cunningham. Talent was developed for a minstrel show which is to be given at the Kansas pond annual meeting in May.

Kiesner in Minnesota

B. H. Kiesner has been appointed special agent of Fidelity & Guaranty Fire for Minnesota with headquarters in the St. Paul office of United States Fidelity & Guaranty. He will travel under direction of C. C. Blieffert, state agent, with headquarters at Milwaukee.

Seipp With McKnight

George W. Seipp, former Kansas field man and for some years state agent of the National Union, has been appointed special agent of the McKnight General Agency of Enid, Okla., for Kansas, with headquarters at 817 First National Bank building, Wichita. Companies represented in Kansas are the Halifax, California and Commonwealth.

Miller Joins the Phoenix

H. M. Miller has been appointed special agent of the Phoenix of Hartford, and will be associated with State Agent Schwartz in the supervision of territory in Colorado, Wyoming and New Mexico. He will make his headquarters with Mr. Schwartz in the Gas & Electric building, Denver.

Lamb in Western Ohio

C. D. Lamb, formerly located in Cleveland for the Automobile, Standard Fire and Fire & Marine Underwriters, will travel the western part of the state for these companies associated with E. T. O'Brien, state agent, with headquarters in Columbus. Mr. Lamb had considerable experience with the Ohio Inspection Bureau following graduation from Armour Institute in 1929. He joined the Automobile in 1936.

Discuss Fire Prevention

The weekly luncheon of the Iowa Blue Goose in Des Moines Oct. 10 will be in charge of officers of the Iowa Fire Prevention Association, headed by W. T. Shirley, president. The group will discuss fire prevention week activities.

Dinner for MaGruder

M. R. MaGruder of the "Insurance Field," who has gone to Atlanta to take charge of its branch office there, was honor guest at a dinner of the Kentucky Blue Goose in Louisville Monday.

New England Installation

The new officers of the New England Blue Goose will be installed at a luncheon meeting in Boston Oct. 8, by Felix F. Porter, past most loyal gander. Reports of the grand nest convention will be heard and committees announced.

Wilson Joins Security

Joseph H. Wilson of Decatur, Ill., has been appointed southern Illinois state agent for the Security of New Haven, the East & West, and the Connecticut Indemnity, succeeding the late J. R. Trobaugh, of Salem, Ill. Mr. Wilson has been traveling the southern Illinois field for the Royal-Liverpool group.

Syracuse Club Meets

SYRACUSE, N. Y.—The Syracuse Field Club held its first weekly luncheon of the new season here. President Robert D. Constable of the Agricultural officiated. Other officers are: Charles Collin, National of Hartford, vice-president; C. W. Inglehart, North America, secretary; E. V. Judge, Atlas, treasurer.

To Honor Ralph Hukill

R. W. Hukill, Fireman's Fund in Ohio, most loyal grand gander of the Blue Goose, will be tendered a testimonial dinner by the Ohio pond Oct. 31 in Columbus. This is the first formal recognition given to the new head of the

order by his home pond. Committee chairmen for the 1939 grand nest meeting at Cincinnati have been asked to be present for a special meeting held during the same evening for the purpose of considering preparations for the grand nest meeting.

Turner with the Union

The Union of Indianapolis has appointed Stanley D. Turner as special agent for Marion county, Ind., thus traveling in its immediate home field. He succeeds John Springer. Mr. Turner was formerly with the Grain Dealers National Mutual of Indianapolis.

FIELD NOTES

Mrs. Evelyn P. Goldsmith, wife of J. S. Goldsmith, field man of the Hartford Fire for 35 years, died at her home in Berryville, Va. After being retired Mr. Goldsmith became an independent adjuster at Berryville and also launched a local agency there.

The Illinois Fire Prevention Association will inspect Pontiac Oct. 26. J. Burr Taylor, Western Actuarial Bureau, will give an address at a public meeting.

M. J. Ludwig, formerly manager of the Cleveland Trust Company, has opened an agency in the Johnson building in Painesville, O.

National Union Fire Bewails Pirates' Fate

The Pittsburgh Pirates of the National Baseball League as well as fans in the Pittsburgh area had set much hope on the world series being played part of the time in that city. The National Union Fire sent out a card in a black rimmed envelope in the shape of the conventional acknowledgment of condolence letters. The card with its black rim read: "Deceased. Pennant hopes of Pittsburgh Pirates at Chicago, Sept. 27-29, interment by 'Gabbey' Hartnett & Co., National Union Fire Insurance Company, Pittsburgh, Pa."

Prominent Agent Dies

R. C. Miller, local agent associated with Koenig & Kroll, Oakland, Cal., for 30 years, died at an Oakland hospital following a three months' illness. He was active in local agency affairs of the East Bay district for many years and was president Oakland Association of Insurance Agents 1932-1933.

Dog — The Friend of Man



THE DOG'S CREED
(Cocker Spaniel)

Judge Weber of the Supreme Court of Utah, in an opinion handed down in a case permitting recovery of damages for a dog killed by an automobile wrote:

"In peace the dog finds content in the humblest service, ever faithful, ever true; in warfare he glories in every opportunity to do his master's bidding and never counts the cost. Above all other mortal creatures is the dog faithful unto death. No sense of imminent peril, no pangs of hunger, no neglect or abuse by or from the one to whom the dog has given his affection can shake the full measure of his devotion, dim the light that brightens his eyes or dampen the ardor of his love. 'Service is his creed.'"

Another Friend of Man
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Especially When Placed With

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That's the sort of thing "Planned Progress" helps you do. It helps you apply the insurance survey method to your agency set-up, routine, market, competition, problems and opportunities, and to lay out a plan of action that will increase your premium income. The plan gives you all the tools you need. It's convincing because it's based on facts. Other successful agents have found that "Planned Progress" has helped them increase their businesses in a single year.

How can we afford our part in this work? Plans of Progress cost us money to prepare, but we have found from experience that they are mutually profitable and that we receive our share of the new business they help create.

Write today for your copy of the booklet "Planned Progress" which tells the whole story of this individual cooperation. You'll be glad you did. No obligation.



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Well known in insurance circles for financial stability and prompt payment of just claims, Reliable has thousands of policies in effect. You'll be proud to represent Reliable.

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Value of Agency Is Analyzed in Talk By Field Man

(CONTINUED FROM PAGE 5)

ous items that he touched on, Mr. Bean said that one will be able to arrive at the average annual commission that the business should produce. In his experience he said that he had seen a number of agencies bought and sold. Some have been sold for as little as one-half of the year's commission. Others have been sold for 100 percent or in a few cases as high as 150 percent of the year's commission.

He mentioned one formula known as the 10 percent formula. He said that many agencies have been bought and sold on a basis of paying 10 percent of the total premiums on the books. All the live premiums are listed. They are totaled and the sale price is based on 10 percent of the total premium. He said that a small agency comprising mostly fire business of which a large proportion is three and five year policies can perhaps be figured on this 10 percent formula but he held it is not safe for the larger agencies, especially those that have a large casualty or one-year business.

In addition to expirations there are other elements of good will or assets that should be considered. One that might be mentioned are new clients to develop. Second, the employees that may be acquired. Mr. Bean said, "Your agency has a value, a cash value. You have an investment in that agency. It is a capitalistic investment. As such it must be well managed. It must be guarded and protected from all inroads. It must follow the course of safety, protection and service, and when so operated, you can well be confident that your agency has a real value."

Alex H. Case's Address

Alex H. Case of Marion, Kan., reported for the Business Development committee, saying that the state officers realized the benefits which would come from carrying out its program. The state was divided into eight districts and meetings were held. After the series many requests were received for a more specialized program for rural agents. These agents felt that the material used in the first series was more applicable to the city agents' problem and did not satisfy the needs of the country agents. Therefore a program was developed dealing with farm insurance. Two meetings were held last fall and winter at Abilene and Beloit. The remaining six meetings were postponed until spring.

Scope of the Program

The program fitted around the "organized sales campaign" and the afternoon was devoted entirely to the farm program. Wilbur Gardner, National Fire, delivered talks on the fallacies of mutual insurance quoting court decisions, explaining deficiencies in coverage, etc. E. H. Fikes, Home of New York, concluded the farm meetings with his chalk talk, explaining the practical application in an actual solicitation of the material distributed at the meeting. He outlined the method by which farm risks should be solicited through use of the survey method. A majority of the new members in the Kansas association, he said, came from the rural agents group.

McIntosh in Charge

H. O. McIntosh of the Hanover as general chairman had charge of the activities. The rural agents program originating in Kansas has spread over the entire country.

The present plans, Mr. Case said, call for another series of meetings at which topics akin to the following will be discussed: Review of developments along sales and educational lines, new merchandising dealing with new forms and

coverages, public relations dealing with plans and suggested talks before civic clubs and trade associations, discussion of ways and means of securing and handling insurance on public and institutional lines.

A rural agents program is planned in connection with these meetings and the subjects discussed will be of an educational nature as follows:

1. Farm insurance; new developments in rules, rates, coverage and sales methods.
2. Town mercantile; rules, rates, forms.
3. How to regain public business; survey plans and methods.
4. Bonds—types profitably solicited by rural agents.
5. Inland marine.
6. Automobile.
7. Profitable "other covers" easily sold by rural agents.
8. Governmental insurance subjects, dealing with R.E.A., crop, farm credits, H. O. L. C., etc.

Agent Needs Groups' Help

Problems affecting insurance today are so numerous and difficult to solve that the individual agent cannot well cope with them and needs the help of the National and state associations. Bert E. Mitchner of Hutchinson, Kan., past president Kansas association and active in National association affairs, declared in a talk on "Where Are We Going? And How?"

He said the fact these organizations have operated successfully for many years is evidence they serve a worthwhile purpose. Something of the personal touch has been lost generally in trade associations, yet there have been distinct gains, especially in development of business ethics and the new sense of relationship and obligation to the public. Both National and state associations have been fortunate in their leadership, he said. Great good has been done. He cited numerous accomplishments of the associations. The agent today is the independent owner of his business because property rights of his insurance expirations were through effort of the National association. Similarly, overhead writing virtually was stopped, rate wars almost eliminated, uniform forms established, bank agency appointments kept in check, constitutionality of resident agent laws established, etc.

Methods Not Ruthless

"Neither the National association nor state association is organized simply to try to force the companies to pay certain commissions or grant certain things from a selfish standpoint," Mr. Mitchner said. "Things are not demanded because of strength of membership or force of numbers. The agents propose in return for things they request to render a better service to assured and companies, with a full measure of loyalty to both. The insurance agent has a definite place in business life and performs an important and necessary service. But insurance agents worthy of the name are vastly more than middlemen. They are an important part of the great business structure which provides one of the bulwarks of American business and progress. Capable, intelligent, industrious insurance agents who are both producers and service men, who represent both the assured and the insuring company fully justify their position in the business of insurance."

"For the company he performs a splendid service in the selection of risks—physical and moral. He wants his company to prosper and works to help it prosper. He is the ambassador of new coverages, pointing out the need and opportunity to the assured. He is the assured's friend and insurance counselor."

Consider Standard Policy

NEW YORK—The committee on standard fire policy revision of the National Association of Insurance Commissioners will meet at the offices of the New York department here Oct. 17.

S. M. Buck Warns of Complacency

(CONTINUED FROM PAGE 4)

to be in an area of low barometer with no clear indication of the direction from which the disturbance may come. That we have had a long spell of fair weather is no guarantee that the sun will shine forever, and that is why I have said that our real danger is complacency. It behooves us to keep the bridge competently manned and the hatches tight.

Widening Influence of W. U. A.

"Of the association I can say to you that it is functioning with a continuously widening influence. Particularly is this true in respect of association contact with agents and with the public."

"The work of the public relations committee marks one of the important changes that has developed in the association in recent years and is in conformity with the ever changing conditions with which our business must cope. It is a far cry back to the earlier traditions of the Union and its successor, the Western Underwriters Association, to those days when it was advisable and proper under the then existing conditions to confine our activities exclusively to the inter-relationships of our members."

"We could not in these days operate on the old basis of fear that frank discussions and negotiations with agents and agency organizations respecting our problems would be hurtful, and slowly we have come to acknowledge and appreciate that in the field no strictly company problems exist, nor are there agency problems, solution of which has no phase of company interest."

Relations with Each Other

"There is a steadily increasing improvement in the interest and influence of company organization in its relationship to all of the activities of our business carried on outside the underwriting offices, and this progress challenges us to keep pace in the improvement of our relations with each other."

"In these unsettled times, both at home and abroad, I offer the observation that it behooves our members to adhere steadfastly to the fundamental principles upon which the stature of stock fire insurance has grown over the years."

"Quite aside from the prospect of an increasing interest of state insurance departments in the acquisition cost of our business, sound judgment dictates retrenchment where inequalities exist. Maintenance of proper rate levels and careful underwriting are as imperative today as ever before."

Paid Secretary Plan Is Up in Wisconsin

(CONTINUED FROM PAGE 4)

other subjects pertaining to his office. W. H. Menn, Los Angeles, president National association, who spoke at the Michigan meeting earlier this week, will represent the National body. The other address of the afternoon session will be given by J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER.

The convention will close with a session Friday morning, in which the proposed "declaration of guiding principles" and limitation of membership to agents representing stock companies only are expected to be considered.

The declaration will be discussed at a breakfast conference. A. R. Menard, New York, assistant director Business Development Office, will be the featured speaker at the morning session. H. A. Bird, Beaver Dam, past president, will report for the rural agents committee, and D. W. Swanson, Milwaukee, will convey greetings of the Wisconsin Fire Underwriters Association.

Storm Loss Claims Plan Being Put in Effect in East

(CONTINUED FROM PAGE 3)

advised of such action at time of assignment. Acting in cooperation with the National Board, it was recommended all such claims be reported immediately to the committee on losses and adjustments of the New York Board. It was also asked that all copies of adjusters' loss reports be forwarded to the office so proper assistance and supervision could be given in order to prevent double payments and to obtain full contribution from all insurance covering the particular loss. No charge to companies will be made in connection with reporting such claims or forwarding loss reports, but assistance will be rendered as a gratuitous service.

Reduce Single-shot Charge

The loss committee of the New York Board is prepared to accept assignments of all losses within its territory and the full service of the loss committee is available as desired and requested, the announcement stated. Charge for services of the committee has been reduced to one-half of the present fee or 25 percent of the adjuster's bill for single shot losses where only one company is involved.

Data asked for includes name of assured, location of risk, whether proofs of loss have been filed or not, name of assured's representative, and name of adjuster to whom loss was assigned.

"In addition to maintaining a clearing house to prevent double payments we shall be glad to render every possible service to expedite the handling of claims and to advise the companies and the adjusters pertaining to the many questions of liability and coverage which are emanating from this casualty," the New York Board stated.

"The National Board of Fire Underwriters are making the following recommendation to its members, and we repeat the same herewith for your consideration:

Recommendations Are Made

"Pertaining to the question of liability for awning losses under the supplemental contract and extended coverage endorsement, that liability be denied unless specific cover exists.

"Pertaining to the question of liability where claims are made under sprinkler leakage policies for damage resulting from rupture of the system when the roof or other structural parts of the building have been carried away or damaged by wind, that liability be denied unless explicit liability exists by reason of special cover.

"Pertaining to the question of liability and procedure where damages are attributable in some degree to tidal wave, high water or wind-driven water: Recommended that it be suggested that with respect to this particular problem members be requested to handle each claim involving water damage with due consideration for the policy exclusions and with full regard for the attendant circumstances surrounding the claim."

Mutual Losses Reach \$4,000,000

Coverage on the Seale Mill at New Bedford, Mass., carried by the mill mutuals, which was destroyed by fire was approximately \$2,000,000, with an estimated loss of one-half that figure. Policies contained the guaranteed amount clause. Late estimates place the aggregate loss for mutuals throughout the area at \$4,000,000.

Company officials are not worried over the credit feature in connection with losses suffered by either manufacturers or merchants, feeling the experience in the flooded sections along the Ohio and the Mississippi rivers two years ago will be duplicated with respect to the New England disaster. In the central west business institutions that were hard hit, experienced no dif-

IN WAKE OF ATLANTIC STORM



The hurricane which swept the south Atlantic coast board left many devastating scenes in its wake. This scene at New London, Conn., indicates the terrific nature of the storm. The fishing schooner was thrown on to the lobster docks, the automobile overturned and the pier shed demolished.—Acme News Pictures.

ficulty in getting accommodations on long-time basis and under other favorable conditions, and hence no evidence of moral hazard made its appearance.

Rhode Island's Message

President Byron S. Watson of the Rhode Island sent a message to fieldmen a few days after the hurricane struck Providence, saying:

"Although the recent hurricane produced six feet of water in the square on which our building is located, our plant was not seriously damaged. Water reached the height of one foot on the main office floor.

"The local electric light company estimates lights will be restored in our building in one week, but elevator power and heat will not be available for two to three weeks. We are presently without telephone and teletype service. Resumption indefinite.

Total Loss Small

"Neither extended cover nor wind-storm insurance generally carried in New England. Some losses under F. I. A. policies anticipated. Automobile comprehensive liability negligible. Total loss suffered by our companies relatively small.

"We ask the temporary indulgence of our agents in this emergency which is an unparalleled catastrophe in this community. Loss of life and property damage very great.

"We regret to report the death of Mrs. Florence Curran, accounts department, who was on vacation. All other employees and all officers of the company are safe."

Sixteen Hartford agents joined the

Appeal Made in Wisconsin Case

MADISON, WIS.—An appeal has been filed with the supreme court of Wisconsin by Northwestern National from the ruling of Circuit Judge Reis, which held that a fine arts policy on an art gallery is not a marine contract and is subject to fire insurance rate control. In this case the circuit court refused to enjoin Commissioner Mortensen from disturbing a policy issued to the Layton Art Gallery of Milwaukee and from cancelling the license of Northwestern National for alleged violation of the rate law. In his opinion, Judge Reis declared that there was no real element of transportation in the fine arts policy under consideration, that the paintings insured were at a fixed location and that the contract was called a marine policy with a fictitious transportation risk simply to avoid application of fire insurance rating regulation. The case is being followed with great interest because it may establish a legal precedent for a definition of exactly what constitutes inland marine insurance.

other day in sponsoring a full page advertisement in the Hartford "Daily Courant" captioned "Everyone Thought: It Couldn't Happen Here, But It Did and It May Happen Again."

Three pictures of hurricane damage were shown and the reader was requested to investigate the possibilities of adding a supplemental clause to his regular fire insurance policy which offers



NATIONAL UNION

FIRE INSURANCE COMPANY

PITTSBURGH
PA.

A
FRIENDLY



ORGANIZATION

A
GOOD AGENCY
COMPANY





Through Your GENERAL AGENT

****—"Exceptional"—a fitting adjective to employ in describing the service that the General Agent can render. He is an insurance specialist in his territory, covers every step of it thoroughly and is familiar with local conditions. He is NOT your competitor, but instead, is always ready to help YOU as a Local Agent.

ARKANSAS

Coates & Raines, Inc.
Little Rock

Trezevant & Cochran
General Agents Since 1876
Little Rock

KANSAS

T. W. Garrett, Jr. General
Agency, Inc.
3rd Floor, City National Bank Bldg.
Kansas City, Mo.

Kansas Underwriters
Wichita

KENTUCKY

Bradshaw & Weil Gen.
Agcy. Co.
Incorporated
Louisville

LOUISIANA

Trezevant & Cochran
General Agents Since 1876
New Orleans

OKLAHOMA

R. W. Drake & Company
Complete Insurance Facilities
Oklahoma City

Trezevant & Cochran
General Agents Since 1876
Oklahoma City

TENNESSEE

J. Virgil Richards Gen. Agency
Formerly
Hall & Benedict General Agency
Established 1914
Nashville Trust Bldg.
Nashville, Tenn.

* Know the General Agent in your locality. Write the office nearest you or the American Association of Insurance General Agents, Gas & Electric Bldg., Denver, Colorado.

protection against cyclone, tornado, hail, windstorm and aircraft damage at very little additional cost.

LOSS STILL UNCERTAIN

HARTFORD—Losses to insurers occasioned by the New England hurricane, tidal wave and floods are still a very indefinite matter. Hartford companies are still unwilling to make any official estimates as to losses, and others who were guessing have become tired of revising their guesses.

Communication lines are still down in many sections of New England, many agency records have been lost or rendered illegible by the swirling waters or by flood, and even electric current is unavailable in some sections.

It appears that Manager Smith's estimate of the losses of the Factory Insurance Association, \$1,500,000, will eventually prove to be fairly accurate, although claims are still coming in and adjusters still have many areas to inspect. The loss of the factory mutuals in the section will probably be even higher, though it is impossible to even name a figure at present. Improved risk mutuals doubtless fared much better.

Heavy Loss on Yachts

The loss on yachts and pleasure craft is still problematical, though it is bound to reach a tremendous figure. An official of the Aetna Fire, which had policies on 172 yachts in the territory, has stated that nearly every boat between Marblehead and New Jersey has suffered some damage. Many of these have not yet been raised to the surface, and it is impossible to tell the extent of the damage.

The Hartford office of the Fire Companies Adjustment Bureau had received 437 claims by Monday night, about one-third of these being on automobiles. The office it has temporarily set up in New London had received 240 claims, 40 on automobiles. In addition, claims were pouring in to the New Haven and White Plains offices. These claims, explained Assistant Manager Wason of the Hartford office, are almost all for amounts in excess of \$100. Agents and home office men have been adjusting most claims under \$100.

Inland marine losses are expected to run high, with many claims entered on motor freight and express shipments, as well as for damages to standing freight on docks and piers, much of which was covered under inland marine policies.

Plate Glass Shipment Lost

It is still impossible to estimate plate glass losses. As if to add insult to injury, a \$15,000 shipment of plate glass to Hartford was destroyed Monday only ten miles from that city when the motor truck trailer which had carried it from Cleveland overturned in Windsor Locks. The insurer for this shipment is not known.

Hartford companies and agents, immediately following the New England hurricane, drew public attention to the services of the insurance salesmen in times of emergency. One group of local agents cooperated in publishing a newspaper advertisement emphasizing the need of windstorm insurance and comprehensive automobile coverage. The Travelers took occasion, in the form of a quarter page in a special hurricane edition of the "Hartford Courant" to emphasize the importance of having insurance written through agents.

RESULTS IN RHODE ISLAND

PROVIDENCE, R. I.—Approximately 14,000 homes and many business and industrial properties either were demolished or damaged. It is said claims for windstorm damage will be very small, since few persons carried this type of insurance. While practically every building in downtown Providence suffered some wind damage, very few had hurricane insurance.

It was in 1815 that Rhode Island had its last hurricane and people believed there was no need for this protection.

An authority said New England has the lowest ratio of hurricane insurance in the country, with but one-half of 1 percent protected.

The Providence Washington reports its estimated claims \$70,000 for marine insurance and \$5,000 for automobiles. G. L. and H. J. Gross Co. reported 25 to 30 claims for plate glass breakage, running from \$50 to \$300 each. A Providence store had every window broken, with estimated claim \$2,000. The Gross agency also reported about 30 claims for automobile damage under comprehensive policies, totaling about \$6,000. The agency reports 20 claims for windstorm damage, one for \$6,500 for a greenhouse in Johnston and one for \$10,000 for Narragansett pier property.

Insurance agencies also report sharp increase in claims for injuries to persons while working after the storm as well as in probable life insurance claims.

The Rhode Island group of insurance companies reported 378 claims in the week attributable to the disaster, 45 being for automobiles, 11 fire, 212 windstorm and ten sprinkler damage.

Damage to Home Office Slight

Although water damaged old records in the basement and supply department stock was ruined, the home office of Providence Washington in Providence, was very fortunate in escaping major damage caused by the recent hurricane along the eastern coast. Water rose to a height of approximately six feet in Market Square where the office building is located but due to a high English type basement, the water did not reach the first floor. The greatest damage done in Providence was largely due to the wind.

VIEWED FROM BOSTON

BOSTON—Delayed communication and differences of opinion as to legal liability under flood and windstorm policy provisions continue to make estimated insurance losses on the New England hurricane and tidal wave and floods very much of a speculation.

Outstanding fire losses seem confined to the \$1,000,000 fire at New London; \$350,000 fire at Peterboro, N. H.; \$150,000 waste mill fire at Worcester, Mass., and the more recent \$2,000,000 loss on the Seale mill at New Bedford. In the latter case the wind and storm had demolished the sprinkler system, as it did in many plants throughout the affected area, and the heavy loss resulted.

The New England mutual fire companies have sustained but small losses so far as could be learned and the bulk of such losses comes from the shore lines of Rhode Island and Connecticut.

No idea of the respective share of losses sustained by stock and mutual companies can be estimated but owing to heavier mill losses in the mutuals they are believed to have suffered fully as heavily as the stock companies.

Check on Automobile Loss

The General Exchange has made a very complete checkup of automobile losses and the general estimate is of a loss of \$220,000 for New England and New York state. Detailed reports show 1,100 cars damaged in Boston, 800 in Providence and 40 in Portland, Me. It is estimated the average settlement on Boston and Providence cars will be \$50 and on Providence cars \$125 to \$1,250. Altogether there are reports of 1,940 cars damaged in New England.

Plate glass figures are still undeterminable owing to delays in loss notices. There will be extra expense on replacements owing to difficulties in reaching affected areas and additional expense for transportation. It is expected some figures of a general nature will be available at the end of the week.

An outstanding result of the hurricane losses has been the demand in all offices for application of the comprehensive automobile policy to trucks. This special coverage has formerly only been sold to passenger car owners. Truck owners having sustained heavy losses

on the extra lines previously ignored are now coming into the agencies and demand the comprehensive coverage.

NO OIL LOSSES REPORTED

No oil losses have been reported to the Oil Association, officials at the home office in Chicago stated. While there were no serious oil fires, it was feared at first that there might be some substantial claims due to loss of oil from storage tanks smashed by the wind. Officials now, however, believe that any losses reported will be trifling. Most of the business written by the Oil Association in New England carried the extended coverage endorsement, so these windstorm losses would have been covered had they occurred.

RETURNS COME IN

NEW YORK—Fire companies are filing with the emergency loss bureau of the National Board complete records of policies at risk throughout the stricken area: returns coming in in such number as to require the service of a half dozen persons for their assembling. Particulars as to claims however are being received slowly by individual offices, though every effort is being put forth to expedite getting data. Numerous small claims have already been disposed of but more careful investigation will be required in dealing with larger losses, the moot question being to differentiate as between windstorm and flood damage. Companies generally are disposed to settle liberally with assured as has been true in all previous major disasters.

Carry Excess Cover

One important group office reports as carrying a catastrophe cover with Lloyds in excess of \$100,000 for its associated companies. Another, with a probable involvement of \$1,000,000 is likewise safeguarded through an excess of loss agreement.

One result of the hurricane that might have been expected, is a heavy demand for windstorm insurance throughout the entire New England area, the population of which now realizes "it can happen here." While much of the business offered is under the extended cover form, a considerable percentage is for tornado indemnity merely; which, written with the 50 percent coinsurance clause, requires a less premium than the extended contract; which can only be issued in conjunction with the fire policy and for equal amount. Banks and trust companies, particularly, are insisting upon tornado insurance under their mortgage loans.

Plate glass underwriters with but few definite claims, admit they are likely to be liable for one of the largest aggregate losses ever sustained through a similar happening by reason of the New England storm. Plate glass claims are slow in coming in, many assured being uncertain as to whether they will ever rebuild damaged or destroyed properties. Should they decide not to do so claims will be settled upon a cash instead of a replacement basis.

Marine companies have pressed into service all available competent surveyors, though it will be weeks before the full extent of their liability be known. That it will mount into large figures, however, is unquestioned. Conservative estimates are that it will be at least \$1,500,000 and may exceed that figure.

FACTORY MUTUALS

BOSTON—The extent of wind damage caused by the Sept. 21 hurricane to manufacturing plants in the New England area is outlined in a special letter to policyholders by the Associated Factory Mutuals as follows: "Considerable damage resulted to more than 100 factory mutual plants, at 11 of which the losses were between \$100,000 and \$200,000 each; in several hundred other plants damage from a few hundred to several thousand dollars resulted and practically

all this loss is covered by Factory Mutual policies.

"The more serious damage consisted of blowing off of sections of roofs sometimes taking parts of brick walls or upper stories, and of the wetting of stories below by rain and water from broken sprinkler pipes.

Inspector on Hand

"More than 50 men from the Factory Mutual Inspection department visited the damaged plants as soon as they could reach them and did everything possible to help the owners.

"In 1913 as part of a broad fire insurance contract, the Factory Mutual companies first provided general windstorm coverage for industrial properties and made it available to their policyholders.

"Although the total factory mutual losses may exceed \$3,000,000, the liability of the companies will be much reduced by ample reinsurance. All losses will be paid promptly and no changes are contemplated in the rate of returns made by the companies."

Charleston Is Hit by a Twister with Over Million Loss

(CONTINUED FROM PAGE 5)

cent of the property destroyed. Herebefore the damage by storm has been small as the wind struck only the water front and beach property.

ONLOOKER'S VIEW

E. Dana Johnson of Atlanta, assistant secretary and manager of William H. McGee & Co., was in Charleston, S. C., at the time of the storm. He furnishes THE NATIONAL UNDERWRITER with his experiences:

"I registered at the Francis Marion Hotel and took a room on the eighth floor facing the Battery. About 8 a. m. the next morning, Sept. 29, I was looking out of the window in the direction of the Battery and to the right or west of the Fort Sumter Hotel from whence I saw the tornado approaching from the south. It seemed to be heading for the Francis Marion Hotel which is about a mile north from the Battery but it swerved to the east along the Cooper River side of Charleston. It seemed to me to be a greyish black funnel shaped mass about four or five stories high turning in a counter clock wise motion, the lower end of which seemed to swirl or dance around.

"There were flashes of light within the funnel which may have been caused by the static electricity or the tearing down of live electric wires. No fires I later found out occurred. The tornado seemed to pass from the Battery beyond my hotel, within a minute or less and in its flight it gave off a roar similar to that of an airplane in flight and of a forest fire combined.

"Realizing that it was a serious storm I rushed to the phone and told the operator a storm was coming. She asked why and I told her I saw it. She said they knew nothing of it. Not wishing to be caught I hurriedly put on my trousers and it wasn't until minutes later that I realized it had missed the hotel in its flight.

Great Property Damage

"Within an hour I was going the rounds and found great property damage and in some cases total loss of property. At one location I watched them take out bodies of the dead.

"Broad street is the street on which about 95 percent of the insurance offices are located. Most windows of the business establishments there were broken, some roofs, cornices and other parts of the buildings damaged. One automobile was turned upside down and driven through a plate glass window. I made numerous inquiries of property owners and found about one out of five to be

VIEWS and Trends

Casualty B. D. O. Situation Boston in 1939 Resolution Difficulties Practical Program

There was keen interest in that part of the report of W. Owen Wilson of Richmond, Va., chairman conference committee National Association of Insurance Agents, as he stood on the rostrum at St. Paul last week, saying that while the Insurance Executives Association had done a monumental task for the agents in establishing in connection with the agency organization the Business Development Office, the casualty and surety companies had done nothing. He criticised them severely for procrastination and indifference. He intimated that the Association of Casualty & Surety Executives had taken up the matter and the report was given out that it was ready to act. Yet nothing had been done. The Illinois Association of Insurance Agents at its last meeting passed a resolution urging the casualty companies to build up a service similar to the B.D.O. The casualty executives naturally feel that the setup will have to differ to some extent, if any is decided on. The agents contend that there is more use for such a service in casualty lines than fire. There are many nonstock carriers all over the country writing automobile, compensation and other casualty lines, which present hot competition.

The casualty companies evidently take the position that the local agents themselves must clean house before they insist on a B.D.O. casualty organization. There are hundreds of agents throughout the country representing nonstock casualty companies for competitive purposes. Furthermore, the casualty organization companies say that agents do not hesitate to represent companies that write at less than they do and hence it is not conducive to the utmost harmony to get up a service under these conditions. More agents are representing nonstock casualty companies than fire. Almost every office represents a non-organization stock casualty company.

The mutual companies have not gotten into the surety business to any great extent, although the Lumbermen's Mutual Casualty of Chicago has now established a full fledged department with A. G. Stanten as superintendent, he having been associate manager of the Fidelity & Deposit in Conkling, Price & Webb's office. The Liberty Mutual and American Mutual Liability write fidelity bonds.

* * *

The 1939 annual convention is to be at Boston next year. Boston is not an agency association city, although it has a strong local board that has been in existence many years. It is the seat of the organization of the National Life Underwriters Association. Before the headquarters of the National Association of Insurance Agents were moved to New York, they were located in Boston, largely because H. H. Putnam, now publicity director John Hancock Mutual Life, was the secretary and resided there. The Massachusetts Association of Insurance Agents has a few members from Boston, but they are not numerous and but few take an active part in the proceedings. The decision of the executive committee to have the 1939 convention at Boston is largely due to its high esteem for E. J. Cole of Fall River, Mass., former National president and one of the foremost agents in New England, who made a strong bid

insured against windstorm. In the afternoon I gave an account of my experience over Station WCSC to the CBS stations. Power was shut off so the program or account was transmitted out of Charleston via telephone and short wave radio."

for the gathering. As a matter of fact, the New England associations promoted the movement for Boston, realizing that it had ample hotel facilities and is the only city in New England that could entertain the organization from a hotel standpoint.

The preliminaries therefore will be somewhat out of joint because the agents in Boston do not attend National conventions, are not in touch with the procedure and did not participate in the invitation at St. Paul. However, some of the Massachusetts people hope that the holding of the convention in Boston will serve to stimulate interest in association activities. There will be strong company cooperation there with the head office of the Boston and Old Colony, Massachusetts Bonding, Employers Liability group, eastern department of the Fireman's Fund, number of general agencies. The Statler Hotel will be the official headquarters and while announcement has not been made as to the time, it is generally understood that it will be held the week of Sept. 24. Inasmuch as Mr. Putnam is active in insurance work, although with a life company, it is expected that he will attend the convention.

* * *

The resolutions committee at St. Paul had a rather difficult task because there was a division of sentiment as to how far the National Association of Insurance Agents should go on record as to the restrictive agency license laws especially dealing with countersignature and division of commissions. Secretary W. H. Bennett made a very strong address condemning the casualty companies for contesting the Virginia licensing statute and insisting that salaried representatives be prohibited from countersigning policies. Mr. Bennett, however, made a demand that in the resolutions no reference be made to his address or to him personally. The Virginia representative on the committee, backed by a number of others, became militant and said that the resolution

should have teeth in it. It was realized that there was danger of going too far. A subcommittee was named to canvass the situation. A compromise resolution was drafted which was finally agreed to but it was arranged that W. J. Welsh of Kansas City, Mo., a very potent agent and forceful in speech, should arise after the resolutions were adopted and present a motion ratifying Mr. Bennett's address in its entirety. Mr. Welsh said in his remarks that there should be no doubt as to where the convention itself stood. The executive committee did not want to pledge the convention too far.

* * *

The program this year was of a very practical nature, devoid largely of set speeches from outsiders, there being only two present, Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, and F. W. Selsor, head of the fidelity claim department of the Fidelity & Casualty. The greater part of the week was taken up with conferences on practical subjects, including sales material. The merchandising session was particularly appropriate and was largely attended. It is becoming apparent that in these smaller groups much attention must be given to the selection of competent chairmen. The presiding officer who has poise, resourcefulness and keeps the wheels going by injecting comments and not letting the proceedings drag, can make a group meeting exceedingly interesting. There is need of one powerful, inspirational, informative address such as was given by Wade Fetzner, Jr., of Chicago, which was one of the outstanding features of the entire week. The National association proved that it does not have to go out of its own bounds to get effective speakers. It has plenty of men whose stuff is tested and tried.

The choice of chairmen to an extent at least has rested on geographical location, the desire to honor certain state

(CONTINUED ON PAGE 34)

ONE-MINUTE TALKS WITH AGENTS

No. 24

How's Your Own Balance Sheet?

FINANCIAL statements come in for a great deal of study. Assets are carefully weighed against liabilities. This is particularly true in the insurance business.

Yet how often does the average insurance salesman stop to analyze his own *personal* balance sheet? Does the total of enthusiasm, imagination, planned selling and knowledge show a credit balance against lethargy, personal handicaps, occasional bad breaks and selling fright? If it doesn't, it's time to overhaul the old concern and reorganize.

Do a thorough job of it. Put some new capital in. Get rid of the liabilities. Build up the assets. Keep a watchful eye on your *personal* balance sheet, and you just can't help receiving bigger dividends from your activities.

W. H. Putnam
President



GENERAL INSURANCE COMPANY of AMERICA
GENERAL CASUALTY COMPANY of AMERICA
FIRST NATIONAL INS. COMPANY of AMERICA

Eastern U. S. Dept.
116 John St.
New York, N. Y.

Western Department Service Office
208 N. Broadway, St. Louis, Mo.

Mountain States Dept.
Insurance Exchange Bldg., Denver, Colorado

EDITORIAL COMMENT

A Sound Plea for Consistency

OCCASIONALLY a voice from outside the insurance business makes insurance men realize that their problems are not dissimilar to those of other merchandisers and that their well being is interwoven with other businesses. The address of W. J. CHENEY, vice-president NATIONAL RETAIL FURNITURE ASSOCIATION, before the New Jersey agents strikes just such a note. A few changes in terminology and his recitation of the harm done retailers by alleged "wholesale" prices, sales appeals based upon elimination of the middle man's cost, often with the backing of prominent employers who do not realize they are undermining their own business structure, frequently with ultimate loss to the purchaser, could well be given by an insurance man at any gathering of agents.

Mr. CHENEY did not complete the analogy, but we doubt if any of his audience failed to do so. Not only was the comparison apt, but Mr. CHENEY was unquestionably on safe ground when he asked the cooperation of insurance agents in eliminating these evils and in upholding the retailer. For some time stock company agents and brokers have been telling business men that they cannot consistently oppose cooperatives and at the same time insure in nonstock carriers. A cooperative insurance organization, they argue, is

essentially no different from a cooperative clothing store, grocery or distributing unit. Hence, business men who live by the profit system should support the same system in buying insurance.

The rule works both ways. Insurance men fighting to preserve the agency system against competition which seeks to eliminate its cost should think twice before making a purchase on a "wholesale courtesy card," to the exclusion of a competent local retailer. By the same token, insurance executives whose business is built on the agency (retail) system should pause before encouraging their employees to eliminate retailers in other lines.

It is sound business for every one connected with or interested in the agency system to support the retail method of distribution. The local retailer is the backbone of many an agent's clientele. If each believes in the retail and profit system, they should support each other. This does not mean that incompetence or even mediocrity on either side should be tolerated. No retailer, whether he sells insurance or furniture, is entitled to patronage only because he stands for that method of doing business. Where, however, he has demonstrated that he earns his share of the distribution cost, the first to recognize it should be others in the same economic position.

Getting Pointers from the Salesmen

ROY A. DUFFUS, president ROCHESTER (N.Y.) BOARD, in his talk at the merchandising section of the St. Paul convention of the NATIONAL ASSOCIATION OF INSURANCE AGENTS made one statement that might well be considered by all advertising departments. He said that very often advertising material was gotten up entirely by general or home offices in a more or less academic way. He thinks that local agents can well originate and suggest proper advertising material. They know how different forms of ad-

vertising and publicity impress the buyers. Many times, he said, there are opportunities for local agents to make observations of this kind. The agents, therefore, have an intensely practical turn of mind, which should be used in connection with the skillful work that is being carried on by the advertising department.

He naively remarked that some of the advertising sales material evidently originated in the comptroller's department.

Keeping Track of All New Risks

THESE are days when it is difficult for fire companies to get new business. All sorts of devices are resorted to to encourage agents to initiate various coverages. Some companies keep track of new risks coming in. One company

makes a practice of keeping careful track of all actual new risks sent in. The field men are notified and asked to write a message of appreciation to the agent. This gives recognition and it is having good effect.

What Meaneth Payment of a Premium?

FREQUENTLY an assured objects to the premium he has to pay for his insurance on the ground that he has never had a claim or at least if he has had one it

was small. Therefore, he thinks that the company owes him something in the way of a return.

He forgets the very nature of insur-

ance. There are always claims. The unfortunate have them. The man who pays a premium should be perfectly willing to expend that amount to avoid having a claim. If it were possible for him never to have a claim it would be a wonderful investment to pay the premiums that he does. The great majority do not have claims but many do and therefore through cooperation the fund contributed to by all policyholders constitutes the treasury out of which the claims are paid when losses occur.

WILLIAM QUAID, one of the HOME ex-

ecutives, is very happy always in his illustrations. For instance, he compares insurance to a sprinkler system in a warehouse. The owner of the warehouse will certainly be delighted if his sprinkler system is never called into play. It is a protective device. It is very useful in case something does happen. It is not a foolish investment. This same attitude should be taken toward insurance. Another illustration is that insurance can be likened to a bumper on an automobile that protects the car itself often from serious injury.

PERSONAL SIDE OF BUSINESS

S. H. Beckett, deputy California insurance commissioner, who had been connected with the department 32 years, died of a cerebral hemorrhage in San Francisco at the age of 69. He had been a deputy since 1930.

L. G. Spies, state agent of the North America in South Dakota, underwent a serious operation at McKennan hospital in Sioux Falls. He is well on the road to recovery.

H. R. Preston of Springfield, Mass., president Massachusetts Association of Insurance Agents, proved himself a very skillful impersonator as he opened his address at the merchandising section at the National Association of Insurance Agents convention. He impersonated a heckler at a select men's meeting which is a city council. The heckler was a man who found fault with any increase in taxes or public improvements. Mr. Preston impersonated the presiding officer and the heckler, the latter appearing in characteristic New England dialect and drawl. It was very cleverly done.

Raymond L. Ellis, vice-president of the Fireman's Fund at the home office, and his wife passed through Chicago this week en route east on a month's vacation. Mr. Ellis stopped off to visit officials of the western department office.

Herbert W. Robertson of Henderson, Ky., state agent of the Hanover, who has been in a very serious condition following an operation at St. Joseph's Hospital, Lexington, showed a slight turn for the better over the week end.

A. Bruce Bielaski, head of the arson division of the National Board, started Oct. 1 on a month's vacation, which he will spend on the Pacific Coast.

Winthrop M. Jones, chief engineer of the Factory Insurance Association of Hartford, completed 25 years' service with that organization Oct. 1. He was tendered a dinner by his associates and was presented a wrist watch, suitably inscribed, commemorating the occasion. Mr. Jones graduated from Worcester Polytechnic Institute in 1913, and on Oct. 1 of that year entered the employ of the Factory Insurance Association as a field inspector. Thereafter he was located in Philadelphia as a special agent and subsequently became field manager for the Pennsylvania district. Later he was transferred to the New

York City office and in 1936 went to Hartford to engage in strictly engineering duties. He was appointed chief engineer about a year ago.

W. H. Menn, newly elected president of the National Association of Insurance Agents, was representing that body at the annual gatherings of the Michigan and the Wisconsin agents associations, held respectively at Muskegon and at Sheboygan, this week.

M. O. Loysen, chief of the bureau of liquidations, conservation and rehabilitations of the New York insurance department, who recently underwent an operation at a city hospital, is now at his home recuperating.

Mr. and Mrs. Guy M. Cox are returning by automobile from a vacation on the west coast to their home in Iron River, Mich. Mr. Cox, who is president of the Upper Peninsula Association of Insurance Agents and a member of the governing committee of the Michigan Association, was a delegate to the convention of the American Legion. He was also a member of the permanent organization committee at the convention.

John W. Friend, Virginia state agent of Hartford and Equitable F. & M., has been elected moderator of the Presbyterian synod of Virginia. He is the third lay moderator of the Virginia synod in its 150 years' existence, his grandfather, Dr. Theodrick Pryor, having been also a moderator.

Charles H. Storts recently celebrated his 40th anniversary in fire insurance. He has served as a local agent, special agent and general agent. For many years he has been a member of the general agency firm of J. D. Kitchen & Bro., New Orleans. Mr. Storts for some time has made his headquarters in Fort Worth, Tex., as chief representative of his firm in that state.

Jacob Loeb, 65, president of the Loeb Insurance Agency, New Orleans, died there.

Friends of J. A. Bennett of New York City, general agent Phoenix Assurance group, are interested in the literary work of his daughter, Frances, 20 years of age, a graduate of the Millburn, N. J., high school, and now in the senior class at Bucknell University, Lewisburg, Pa. She has written a story entitled "Temple of Gold," which is to be pub-



THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Asst. Man. Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

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NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Assoc. Eds. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin, Resident Manager.

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Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25,

Single Copies, 20 cents. In Combination with Life Insurance 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

lished soon in the Chicago "Daily News." It is her intention to continue writing following her graduation and enter therefore the professional writing field. She is a member of the women's senate of her college and is living in the honor house during her senior term. She is a member of Phi Mu sorority.

Francesco Seley of the Oregon Insurance Rating Bureau, Portland, Ore., has retired and in the future will take care of his hobbies only.

Mr. Seley was assistant to chief of survey of Mainland Fire Underwriters of Vancouver, B. C., in 1908, and later chief surveyor. In 1916 he went to Portland as chief of the Equitable Rating Bureau, which in 1917 was changed to the Oregon Insurance Rating Bureau.

E. V. Willey, supervising underwriter at the head office of the Home of New York, in charge of Louisiana, Oklahoma and Tennessee, died Thursday of last week following a stroke. He had been suffering from high blood pressure and his heart condition was far from normal. He was formerly of the National Union Fire and in 1922 joined the National Liberty following it to the Home.

C. A. Nottingham, assistant United States manager of the Royal-Liverpool group, accompanied by his wife, has returned after a six weeks visit in England.

F. R. Pow, former president of the Ohio Mutual of Salem, O., serving from 1920 until he retired last May, died in the Salem City Hospital at the age of 65. He was president of the First National Bank there and prominent in many activities. He assisted in establishing the hospital there and served as treasurer for 25 years.

CONVENTIONS

Oct. 2-8—National Association of Mutual Insurance Companies, Syracuse Hotel, Syracuse, N. Y.

Oct. 6-7—New York Insurance Federation, Nelson House, Poughkeepsie.

Oct. 6-7—Wisconsin Agents, Sheboygan Association of Commerce, Sheboygan.

Oct. 6-7—Kansas Agents, Lassen Hotel, Wichita.

Oct. 11—South Dakota Fire & Casualty Agents Association, Mitchell.

Oct. 13—Ontario Fire & Casualty Insurance Agents Association, Royal York Hotel, Toronto, Canada.

Oct. 13-14—Tennessee Agents, Peabody Hotel, Memphis.

Oct. 13-15—Maryland Agents, Fort Cumberland Hotel, Cumberland.

Oct. 17-18—Missouri Agents, Statler Hotel, St. Louis.

Oct. 17-19—Ohio Agents, Mayflower Hotel, Akron.

Oct. 18—New Hampshire Local Agents, Carpenter Hotel, Manchester.

Oct. 19—Maine Association of Insurance Agents, Elmwood Hotel, Waterville.

Oct. 19-20—Massachusetts Agents, Hotel Kimball, Springfield.

Oct. 19-21—Western Insurance Bureau, Grove Park Inn, Asheville, N. C.

Oct. 21—Utah Local Agents, Ben Lomond Hotel, Ogden.

Oct. 24-26—California agents, Hotel Californian, Fresno.

Oct. 25—Annual Meeting Society of Life Members Northwest Association, Hotel LaSalle, Chicago.

Oct. 26-27—Indiana Local Agents, French Lick Springs Hotel, French Lick.

Oct. 27-28—Wisconsin Association of Mutual Insurance Companies, Hotel Schroeder, Milwaukee.

Nov. 5—Arizona Agents, Hotel Westward Ho, Phoenix.

Nov. 7—American Institute of Marine Underwriters, annual meeting, 99 John street, New York City.

Nov. 16-17—Illinois Agents, Pere Marquette Hotel, Peoria.

Nov. 17-18—Casualty Actuarial Society, Hotel Biltmore, New York City.

Dec. 5-7—National Association of Insurance Commissioners, Fort Des Moines Hotel, Des Moines, Ia.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Oct. 3, 1938

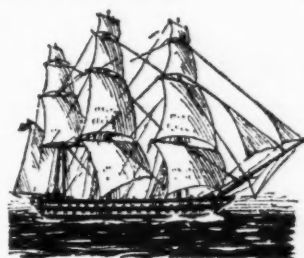
	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00	88	92
Aetna Fire	10	1.60	46	48
Aetna Life	10	1.25	23	25
Agricultural	25	3.25	72	75
Amer. Alliance..	10	1.20	20	22
Amer. Equitable.	5	1.00	26	28
American (N. J.)	2.50	1.60	13	14
Amer. Surety ...	25	2.50	46	48
Automobile	10	1.50	28	30
Balt. Amer.	2.50	1.30	7	7 1/2
Bankers & Ship.	25	5.00	83	87
Boston	1.00	21.00	550	575
Camden Fire ...	5	1.00	20	22
Carolina	10	1.30	22	24
Contl. Cas.	5	1.20	31	32
Contl. N. Y.	2.50	1.80	35	37
Crum & Forster				
Com.	10	1.00	24	26
Employers Reins.	10	1.60	48	52
Fidelity & Dep..	20	2.00	105	107
Fidelity-Phen. ..	2.50	1.80	34 1/2	36
Fire Assn.	10	2.50	58	60
Firemen's (N. J.)	5	.30	8 1/2	9 1/2
Franklin	5	1.40	26	28
Gen. Reinsur. ...	5	2.00	36	38
Glens Falls	5	1.60	41	43
Globe & Repub..	5	.50	13	14
Gt. Am. Fire....	5	1.20	23	25
Gt. Amer. Ind....	1	.20	8 1/2	9 1/2
Halifax Fire ...	10	1.00	22	24
Hanover Fire ...	10	1.60	31	33
Hartford Fire ...	10	2.00	75	77
Home Fire Sec..	10		2	2 1/2
Home Ins. (N.Y.)	5	1.60	28 1/2	29 1/2
Ins. Co. of N. A.	10	2.50	63 1/2	65
Maryland Cas...	1		3 1/2	4 1/2
Mass. Bonding..	12.50	3.50	48	50
Merch. com. (N.Y.)	5	1.70	44	48
Natl. Cas.	10	1.00	22	24
Natl. Fire	10	2.00	60	62
Natl. Liberty ...	2	.40	7 1/2	8 1/2
Natl. Union	20	5.00	118	123
New Am. Cas....	2	.60	11	12
New Hampshire.	10	1.80	44	46
Northern (N. Y.)	12.50	5.00	91	93
North River ...	2.50	1.20	26	28
Phoenix, Conn...	10	2.50	78	80
Preferred Accl..	5	1.00	16	17
Prov. Wash.	10	1.40	32	34
St. Paul F. & M.	25	8.00	210	215
Security	10	1.40	30	32
Sprgfd. F. & M.	25	4.75	120	125
Travelers	100	16.00	425	435
U. S. Fire	4	2.00	51	53
Westchester Fire	2.50	1.60	32	34
U. S. F. & G....	2		14 1/2	15 1/2

*Includes extra. **Canadian funds.

No MLU Venue Change

JEFFERSON CITY — The Missouri supreme court en banc denied an application for writ of mandamus which would have required Judge Southern of the circuit court in Kansas City to grant a change of venue in the Manufacturing Lumbermen's Underwriters case. V. B. Coates, attorney-in-fact for the reciprocal, which is being liquidated by the Missouri department, asked for the mandamus.

Commissioners appointed by the circuit court to hear loss claims expect to complete their work by Oct. 15, when the claims will be taken into court for argument. Claims are expected to total nearly \$600,000.



1805

In 1805, the Caledonian Insurance Company came into being. The story of its growth from small beginnings in Scotland into a British Institution with world-wide ramifications is a romance as inspiring as the history of the sea itself. The Company has seen the rise and fall of many institutions but shrewd and conservative finance allied to sound and efficient management has enabled the good ship "Caledonian" to weather all storms.

Liscomb Honored by the Sterno Club

C. F. Liscomb of Duluth, immediate past president National Association of Insurance Agents, had a unique honor conferred upon him Friday evening at a meeting of the exclusive Sterno Club in St. Paul when he was made the one and only honorary member extant. Assistant Secretary Judge Miller, also of the National association, was an interested spectator and acted as chief teller in the general elections. For the eleventh successive time S. T. Shotwell, of the

North British group, was elected president after a spirited and hard fought contest. The other officers elected are: First vice-president, Frank S. Rogers of the Frank S. Rogers General Agency, St. Paul; second vice-president, C. H. Ludwig, New York Underwriters; secretary, John B. Burke of Scott, Burke & Scott, St. Paul attorneys, and treasurer, M. F. Hegler, Western Factory.

Sidney O., has been rerated by the Ohio Inspection Bureau. The situation there has been greatly improved by the enlarging of the water works system. Inspection bureau men also have been investigating fire fighting conditions in a number of smaller towns in that section of Ohio.

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ORIENT INSURANCE COMPANY

LAW UNION & ROCK
INSURANCE COMPANY, LTD.

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W. W. GILMORE, Manager
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1938

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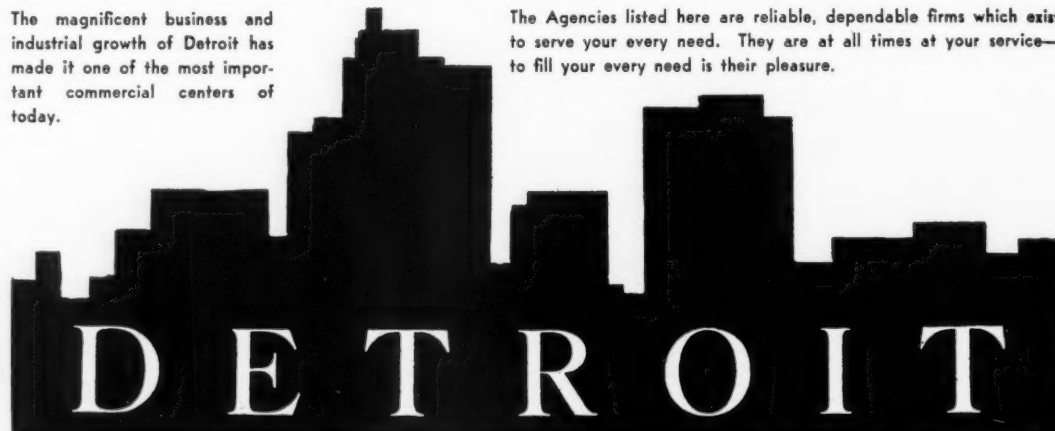
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TRINITY 2-3300

Michigan Agents Meet in Muskegon

Menn Makes Big Hit at Michigan Agents Convention

National Association President Tells of Work Done and Plans for Future

MUSKEGON, MICH.—William H. Menn of Los Angeles made his first appearance before a state association at the annual meeting of the Michigan Association of Insurance Agents here since his elevation to the presidency of the National Association of Insurance Agents at the recent St. Paul meeting. He went over big, as the phrase is. He exhibited an easy, informal and persuasive speaking manner, avoiding the use of flowery language and saying what he had to say plainly and directly. With everyone he left the feeling that he will steer a safe course, and that the National association has a clear-thinking and sensible-talking local agent as its president.

Tells of Work Accomplished

Highlighting the activities of the National association, Mr. Menn said that the Washington office helps to keep the business decentralized. He told of the work that the surety committee is doing, headed by W. Herbert Stewart of Chicago, in the way of keeping agents informed of surety opportunities in connection with government projects.

An education program of some sort is functioning in 27 states, and the association is enlarging the scope of its work for the rural agent. A committee is making a country-wide survey of conditions in local boards, and a fact finding committee on inland marine has been appointed.

Mr. Menn referred to the joint work being done with credit managers, and the intention of the association to agitate the question of restrictive license laws. The organization is not in favor of salaried employees being licensed as agents. Commissions, he said, are the right of private contract, but there

(CONTINUED ON NEXT PAGE)

Fidelity Line Challenge to Insurance Men, Hall Says

MUSKEGON, MICH.—Many a large employer who has remained impervious to fidelity bond sales arguments has been startled to discover that his employees cannot establish a credit union without a bond, J. Dillard Hall, Baltimore, assistant agency director, U. S. F. & G., told the Michigan Association of Insurance Agents. Speaking on "The Forgotten Line," Mr. Hall termed the comparatively small amount of fidelity business written a challenge to insurance men, pointed out what a fidelity bond will do for an employer and gave a number of constructive suggestions for selling this business.

Fidelity bonds, declared Mr. Hall, account for only 6 percent of the total volume of casualty and surety premiums. This is in spite of the fact that the National Association of Credit Men maintains that dishonesty losses exceed fire losses, that the American Institute of Accountants estimates that 7 percent of all mercantile failures are caused by dishonesty of employees and that surety companies paid only \$20,000,000 in losses in one year, while the total dishonesty loss was over \$293,000,000. Over 75 percent of the insurable property is protected by fire insurance, but employers, unless the situation is forcibly brought to their attention, remain blind to the fact that less than 10 percent of the nation's dishonesty loss is paid by insurance companies.

Bond Performs Six Services

In discussing fidelity bonds, the average agent, said Mr. Hall, talks only about payment of losses. In his opinion, this feature should be mentioned last. He emphasized the six valuable services rendered by a bond, as follows:

1. The investigation exposes undesirable employees. No employer could

make the same searching investigation of applicants for employment except at a price many times the premium he pays a bonding company, and even then the investigation probably would not be as reliable, because he does not have trained investigators at his command. Losses are thus prevented, which is more desirable from everyone's viewpoint than paying them.

2. Bonds prevent dishonesty. The moral effect on an employee who knows he is bonded is tremendous. Undoubtedly there are thousands of employees who have been tempted to embezzle, but have kept themselves and their family from disgrace and their employers from financial loss because they knew the bonding company would hold them to account. This moral restraint is even more beneficial for the employee than for the employer.

Bond Prevents Waste

3. A bond prevents waste. Every employee represents a financial investment to his employer. The investigation of a bonding company weeds out undesirables at the beginning, thus reducing turnover and saving the employer heavy expense in training new men.

4. A bond helps maintain bank credit. Bankers and credit men are coming more and more to realize that an embezzlement can wipe out a going concern just as quickly as a fire and are questioning a client's bonding protection before extending credit.

5. A bond builds confidence. An employer whose staff is bonded knows that the honesty of his employees is guaranteed and thus is relieved from worry on this point.

6. If a loss does occur, in spite of all the precautions furnished by the surety company, the bond pays for it.

(CONTINUED ON PAGE 45)

Resolutions That Were Adopted

It was resolved to elect George Brown of Detroit, for 14 years executive secretary of the Michigan Association, a life member of both the Michigan and National Associations. Mr. Brown was warmly commended for the constructive work done by him while in office.

Another resolution requested the fire companies to provide forms of extended

coverage; one including windstorm and another excluding it. It was contended that there is too much sales resistance to the form embodying windstorm.

A reduction in rates for the dwelling house extended cover form was requested in the form of a resolution, and an extended cover policy not including windstorm coverage was asked for.

Mullally Reelected President at End of Busy Season

Many Activities Are Reported by Officers and Chairmen of Committee

OFFICERS ELECTED

President—Martin Mullally, Muskegon (reelected).

Vice-president—W. A. Doyle, Highland Park.

Treasurer—David A. Forbes, Grand Rapids.

Secretary-manager—W. O. Hildebrand, Lansing.

National Councillor—George W. Carter, Detroit.

By HOWARD J. BURRIDGE

MUSKEGON, MICH. — President Martin Mullally presided at all of the regular sessions of the 41st annual convention of the Michigan Association of Insurance Agents held here Tuesday and Wednesday. He kept the program moving forward briskly at all times. The first session began with a reading of the minutes of the previous meeting by Secretary W. O. Hildebrand. Mr. Mullally then read his presidential report, and W. A. Doyle, treasurer, offered his report, which showed the association to be in a sound financial condition. J. E. Mayfield, Flint, next submitted his report as chairman of the accident and fire prevention committee, and Percy D. Morgess, Lapeer, offered his as chairman of the rural agents committee.

At this point the first slip was drawn from the question box. The question was "What is the best way to compensate solicitors." It was agreed that the salary basis was the most satisfactory. The solicitor on commission is either away up or away down mentally. A bonus on life, accident and health business, in addition to salary, was advocated. W. A. Doyle, Highland Park, pointed out that if the solicitor is on salary the expirations undeniably belong



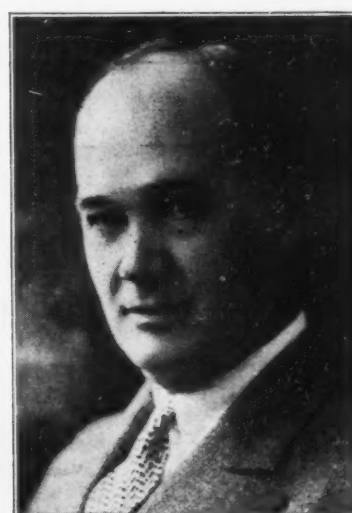
MARTIN MULLALLY, Muskegon
President



W. A. DOYLE, Highland Park, Mich.
Vice-President



W. O. HILDEBRAND, Lansing, Mich.
Executive Secretary



CLYDE B. SMITH, Lansing
Chairman Legislative Committee

to the agency paying the salary. He also said that the solicitor on salary will give a great deal more service than the one on commission.

Alfred Dreifus, president of the Detroit Association of Insurance Agents, told what his organization had done in the way of going after all public business not being written by association members. A strong bid was made for the school line, and the business of the United States Housing Authority. Mr. Dreifus explained the advantages of the association acting as a body when trying to land public lines.

Secretary Hildebrand said that the National association's assistant secretary in its Washington offices advises promptly of all allotments made by the Rural Electrification Administration. The insurance requirements in connection with these projects are numerous. The local superintendent has the authority to place the business. Mr. Hildebrand said that notices of allotments would be included in the house organ of the Michigan association and special bulletins. Many agents, he said, have neglected to solicit this business locally, and so much of it has gone to company offices in Washington. It includes fire, automobile, workmen's compensation, public liability and fidelity bonds.

James McBride of Argyle, a town of 200, told of writing the largest R.E.A. line in the county, and of his inability to place the manufacturers and contractors liability portion of the risk.

Crosby Tells of Membership

J. M. Crosby, Jr., Grand Rapids, was the concluding speaker Tuesday morning. He is chairman of the membership committee of the National association, and outlined the advantages of National association membership. He said the National association will have no national membership campaign during the coming year. Instead, programs for the various states will be developed. He listed as the basic fundamentals for a successful state association development these requirements; 1. Active, interested state association officers and leaders; 2. Careful selection of a conscientious and hard working membership chairman; 3. Personal solicitation by interested members; 4. Prepare list of eligible prospective members; 5. Direct by mail campaign; 6. B. D. O. meetings.

J. W. Mundus, Ann Arbor, reported as chairman of the Business Development committee, which has been unusually active. His report was full of meat. He praised the fire companies, but was critical of casualty carriers for not establishing an organization similar to the B.D.O. for the casualty business.

Menard on Program

Albert R. Menard, assistant manager of the B. D. O. office at New York, discussed the activities of his organization. Since its inception, he said, it has been stressing security, and a method for measuring security, which is the way his office prefers to refer to the Dauwalter formula. The B. D. O. office has analyzed powers of attorney,

Michigan Speaker



A. R. MENARD, New York City Business Development Office

weaknesses of associated factory mutual competition, and meeting nonstock competition. It is not the intention, Mr. Menard said, to have the B. D. O. confine itself only to nonstock competition. As time goes on, it will take up every kind of business development.

He explained that the new booklet, "Complete Policyholder Protection," treats program, survey or account selling, and outlines how to present (1) essential, (2) desirable and (3) available coverages. He concluded by saying, "Your policyholders are your competitors' prospects if you don't give them service."

Clyde Smith Talks

Clyde B. Smith, Lansing, said that the extended coverage rate in Ontario is 10 cents for three years and 45 cents in Michigan. The tornado loss ratio in Michigan has been 22 percent, due mostly to farm losses. Mr. Smith said that the 45 cent rate is too high, and that it should be cut just about in half.

M. H. Thatcher, Pontiac, offered an amendment to the constitution providing that the state be reapportioned into 15 districts instead of 11, and that a governor from each district, together with the officers constitute the governing committee. His amendment was adopted. C. B. Smith, Lansing, and J. W. Mundus, Ann Arbor, served with Mr. Thatcher on the committee that worked out the details.

Seth Burwell, superintendent of the license division of the Michigan insurance department, said that if the department finds any licensed agent engaged in any activity that results in the placing of business in an unauthorized carrier, his license will be canceled forthwith. He asked for assistance of agents

in ferreting out rebating. Regarding legislation he remarked that the attitude of the department is to act as a third party, not a dictator.

P. D. Worgess, Lapeer, presided at the breakfast conference for rural agents on Wednesday. Speakers were Phil J. Braun, Flint; J. W. VanWagoner, Pontiac; James Todd, Bad Axe; R. Cameron, America Fore, and John McLain, National of Hartford. Mr. Worgess announced that several meetings of the rural agents committee will be held in various parts of the state this fall.

Several years ago 16 stock companies discontinued writing farm business in Michigan, and now the National of Hartford, America Fore and Home are the only groups writing farm business in the state through farm departments. They write farm risks selectively and in recent years their experience has improved. The extended cover form including live stock killed on the road, smoke and aircraft damage, etc., enables the stock company agent to offer protection that is specifically excluded from the mutual policy. The scope of the extended cover form has stopped criticism of the cost of stock company insurance.

Worgess Gives Report

Mr. Worgess in his opening remarks said that prior to two years ago when the association decided to form a committee to study the farm fire insurance problem many stock companies had attempted to write farm in Michigan, but nearly all had retired from the field after more or less disastrous experience. The committee concluded a fundamental cause of excessive loss ratio was poor underwriting by agents. To write insurance without physical inspection, he said, is very dangerous even on protected property in cities and towns, but it is suicidal on farm business. Many agents seemed to have no idea of value of farm real estate, but were appraising it on the same level as city property without allowance for the depression having hit farm values much earlier and harder than city property. Thus over-insurance was resulting.

While this was mainly the companies' problem, the committee cooperated. Forms, rates, and rules were modified extensively, the extended coverage endorsement was issued. Agents meetings were conducted throughout the state, agent and company speakers discussing the problems.

Similar committees have been working in other middle western states, Mr. Worgess said. If agents underwrite farms intelligently, particularly as to value, so as to produce satisfactory loss ratio, companies may be expected to cooperate further in broadening coverage, and when justified in modifying rates.

At the final session Wednesday morning Lee A. Dudley, Battle Creek, gave his report as chairman of the agents distress committee, which hereafter will be known as the agents advisory committee. J. W. Wilson, Kalamazoo, reported as chairman of the sustaining fund committee.

John H. Egloff, supervisor of agency field service Travelers, spoke on retrospective rating of workmen's compensation, and J. D. Hall, assistant agency director United States Fidelity & Guaranty, discussed "The Forgotten Line." In the afternoon there was a golf tournament at the Muskegon Country Club. Next year's convention city was not selected, but Flint probably will get the 1939 meeting.

W. O. Hildebrand, secretary-manager Michigan association, closed the second session with his talk on the functions of an agent. He ripped into incompetent part-time agents and companies that appoint them. He said the agents qualification law has helped. Many companies know nothing of the agents they are licensing. One company renewed the license of an agent for four years after he had died.

There are about 70,000 licenses issued by fire and casualty companies in Michigan. Mr. Hildebrand predicted that 16 percent of the premiums written in Michigan in 1938 will be canceled by

the agent or assured, and that most of the cancellations would come from incompetent agents. Finally he urged agents to learn about the reinsurance connections of their companies, and to avoid representation of companies that reinsure with mutuals.

There was a turnout of 240 at the banquet at which Lawrence W. Smith, Grand Rapids attorney, was toastmaster, Commissioner Charles E. Gauss of Michigan, spoke briefly. W. H. Menn, Los Angeles, newly elected president National association, brought a message from that body. The oratory of the evening was provided by Archie E. McCrea, editor Muskegon "Chronicle," whose topic was "Safeguarding Our Civil Liberties."

A new membership high, 537, has been reached by the Michigan association, and the goal has been placed at 700 by the time of the next annual meeting. During the year, Michigan has moved up from 12th to 10th place among the states in membership total. The machinery is running smoothly, and it seems certain that several years of expansion and development lie ahead for the Michigan association.

Mullally Very Popular

Martin Mullally, whose administration has been so successful, has been re-elected. This is rather unusual in Michigan but he has been an able leader. The advancement of W. A. Doyle of Highland Park to vice-president puts him in line for the top position next year. He is one of the stalwarts of the association, and most popular personally.

Carl A. Segen, Battle Creek, resigned a few days ago as vice-president so as to preclude the possibility of being advanced to the presidency. His health has been poor, and he operates what he refers to as a one-man agency, so that he does not have the time needed for association officership.

W. O. Hildebrand of Lansing; who has now served nearly a year as secretary-manager, has given a good account of himself. He is a hard worker, conscientious and thorough in everything that he does. His basic program is to considerably increase the number of local boards in the state, and there is no doubt that as his plans are carried forward, the association will reach an all-time high as to both usefulness and membership.

A. S. Cowlin of Detroit, manager Michigan Compensation Rating Bureau, who was on the Michigan program for an address on retrospective rating, found it impossible for him to attend.

The board of governors elected to serve in the 15 districts of the state consists of David Marantette, Detroit; J. W. Mundus, Ann Arbor; Arno Schorer, Kalamazoo; P. H. Lovell, Benton Harbor; M. H. Thatcher, Pontiac; C. B. Smith, Lansing; Henry Wilson, Grand Rapids; Fred L. Winter, Muskegon; E. H. Moore, Port Huron; H. R. Brady, Saginaw; Glenn Power, Traverse City; W. M. McCune, Petoskey; John P. Old, Sault Sts. Marie; Fred Rober, Menominee; Guy Cox, Iron River.

Menn Makes Big Hit at Michigan Meet

(CONT'D FROM PRECEDING PAGE)

should be a "floor" for commissions for countersigning agents. Thirteen states now have laws regulating this, and in one state, Montana, the countersigning agent gets the entire commission.

In California the state association has worked out what is called a "guiding principles" program. Most of the companies have signed up and are cooperating. It is still in the experimental state. The agents disapproved of certain agents, the cooperating companies canceled their licenses, whereupon some member agents appointed them as solicitors. Mr. Menn suggested that the other states watch the experiment in California for a time before attempting a similar activity.

GREETINGS

to the members of the

Michigan Association of Insurance Agents

Campeau, Mullaly & Meier	Chaddock, Winter, Mulder,	Conklin Agency
Roy Doane	Alberts	Stevens Agency
Riordan-Caughey	Castenholz Bros.	Smith, Easton, Quick
Lincoln Estes	Risk Agency	Forrest E. Haines
	Vanderwerp & Schrier	

Muskegon Association of Insurance Agents

President Mullally Reports Progress

**All-time Membership High
—Urges New District Set-up
—Endorses Conference**

President Martin Mullally of the Michigan Association of Insurance Agents, Muskegon, reported 537 members, a new all-time high record. The membership goal is 700. He recommended creation of three new districts in the state, with a governor representing each, the president, vice-president and treasurer being relieved of their duties as governors of their respective districts. Educational work is planned at various points throughout the state. Mr. Mullally urged that the separation situation be given consideration, and that the in and out rule should be placed in operation at the earliest possible moment. He recommended the continuation of the safety program.

The difference of opinion on important matters between agents and companies should be settled around the conference table, said Mr. Mullally. He recommended that agents be consulted in matters in which they are directly concerned as the selling force that carries insurance to the public. If impractical coverages and policy contracts are given to the agents to sell, there is naturally a hesitancy on their part to present such contracts to the public. The conference method is effective in discussing new problems in which both agents and companies are vitally involved, he said.

The passing of the uninformed and uneducated agent was noted by Mr. Mullally. He declared: "There is no excuse for an agent not being well versed in the coverages which he is attempting to sell and further there is no excuse for an agent not being well versed in the general operations and practice of insurance as a whole."

It is vitally important that representatives of capital stock insurance take cognizance of the need for enlightened public relations program, said Mr. Mullally. He presented arguments for the agency system and the stock plan of operation, suggesting methods that agents may use in establishing prestige.

Legislative Committee Report by Clyde Smith

Clyde B. Smith of Lansing, legislative committee chairman, said:

"For the very obvious reason that there was no regular session of the legislature during the past year there is very little for your committee to report to you. At the special session held a few weeks ago a law was passed permitting the fire companies to write a valued policy covering farm commodities on which the Commodity Credit Corporation holds a lien.

"Some months prior to the primary I addressed a message to every member through the 'Spotlight' asking that he get in touch with various candidates for the legislature and then advise me as to their reaction. For the very simple reason that I did not receive a single letter from any member, I assume that our membership is perfectly contented with conditions as they are or as they may be after Jan. 1. It seems very strange to me as chairman of this very important committee that so little interest is shown in legislative matters at the proper time.

P. J. Moriarty, manager Detroit metropolitan department North British, headed a delegation comprising C. A. Dafoe and N. L. Spencer, state engineers, and A. G. Barker, sprinkler engineer.

Clarence Graebner, president of the Saginaw Association, won the attendance prize first morning—a year's subscription to "Life," donated by the Automobile of Grand Rapids.

Glimpses from Michigan Meeting at Muskegon

President Mullally appointed these two important committees to serve during the convention: Nominating, A. I. Dreifus, Detroit, chairman and Earl Anderson, Battle Creek; J. E. Mayfield, Flint; D. E. Bowen, Kalamazoo; Henry Wilson, Grand Rapids; Wm. Pendleton, Kalamazoo; Carl Miller, Iron Mountain and Wayne Smith, Petoskey.

Resolutions—Phil J. Braun, Flint, chairman, and Lyle Clift, Bay City; E. R. Moore, Port Huron; P. H. Lovell, Benton Harbor; A. E. Schorer, Kalamazoo, and Douglas Nelson, Saginaw.

Ashby C. Taylor, vice-president of Fidelity & Deposit at Detroit and Earl Rochester held open house.

The National Surety delegation consisted of A. L. Carr, vice-president; Thos. Griffin, state manager, and Rankin Martin, associate manager.

Wm. E. Niven, vice-president, and Wm. Flint, state agent of the American States, dispensed hospitality at their headquarters.

Three "lady agents" attended. They were Ida M. Leach, Battle Creek; Mary J. Fields, Grand Rapids, and Janet Strecks, Hastings.

Dillard Hall, assistant agency director, headed the United States Fidelity & Guaranty contingent. The others were Chas. L. Huffman, assistant manager at Detroit and Harold Reinhold and John Moore, supervisors.

James M. Wilson, general agent at Kalamazoo, was accompanied by Mrs. Wilson.

Walter Munyon, superintendent of agents, and Edgar Pierce, special agent of the Wolverine of Lansing were on hand.

James Miller, secretary United States Automobile attended the sessions.

Edwin Gissing, manager Detroit branch General Accident, attended the sessions.

A Detroit morning newspaper was delivered each morning to the rooms of those who were registered by the Fidelity & Deposit.

The program was printed in the form and style of a fire policy with riders, clauses and endorsements.

Vice-President H. J. Kennedy and Agency Superintendent Thos. Hendra of the Great Lakes Casualty mingled with old friends.

Arthur Ullich, assistant secretary of the Yorkshire Indemnity, attended the sessions.

From the home office of the Standard Accident there were present Lloyd Goulet, Frank Loey and "Bud" Miller.

The Dearborn National Fire delegation consisted of Robert Oip and C. M. Verbiest, vice-presidents, and Robert Morse, state agent.

Memorandum books were distributed by the Royal-Liverpool, and cigarette lighters by the United States Fidelity & Guaranty.

There was a meeting of the governing committee and a get-together dinner for members only on Monday evening.

For the ladies there was a luncheon and bridge on Tuesday, and on Wednesday an automobile drive, and a matinee.

Fred L. Winter, Muskegon, was chairman of the general arrangements committee, and did a thorough going job of it.

E. L. Stephenson, vice-president of the United States Casualty at Chicago, was an interested spectator.

Attendance prizes were donated by these companies: Dearborn National, Michigan Surety, Standard Accident, Great Lakes Casualty, Preferred Automobile, Wolverine and United Automobile.

An Agency Company for Good Agents

**A MATTER OF MINUTES
FOR ON-THE-SPOT-DECISIONS
TO MICHIGAN AGENTS**

DEARBORN NATIONAL INSURANCE COMPANY

UNITED ARTISTS BLDG.
DETROIT, MICHIGAN

RANDolph 8090

OFFICERS

D. F. BRODERICK, Pres.

C. M. VERBIEST, Vice Pres.

M. ROBT. OLP, Vice Pres.

ROBT. M. MORSE
State Agent

RALPH H. SMITH
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316 W. Hillsdale Ave.
Lansing, Michigan

Wayne County
Detroit, Michigan

FIRE and ALLIED LINES — AUTOMOBILE — INLAND MARINE

"Wings Over Grand Rapids"

... is a public relations and advertising program interpreting to the public the genuine service of capital stock insurance companies and their qualified agents, who are identified by membership in the

Grand Rapids Association of Insurance Agents

1014 Grand Rapids Trust Bldg., Grand Rapids

COMPLIMENTS OF
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OF INSURANCE AGENTS

CLYDE B. SMITH
Insurance
Lansing, Michigan

The Plan of Hospital Insurance Developed by Continental Is a Distinctly New and Different Line . . . of Interest to Every Multiple-Line Agency with the Facilities Necessary to Build and Service a Large Volume of This Business. Contacts with Employers Through Other Lines Is the Key to Profitable Development.

An Old Pioneer Enters a New Field HOSPITAL INSURANCE

The Continental Casualty Company has pioneered in the field of Accident and Health insurance for more than forty years and has developed many unusual forms of Accident and Health policies. Now . . . after more than three years of extensive research . . . it offers a New Hospital Plan . . . the most unique on the market . . . because:

1. The insured can select any hospital in the world, his own Doctor, his own Surgeon and his own Nurse.
2. It pays CASH to the insured; he pays his own bills.
3. It fits everyone; costs as little as 2c a day or as much as 13c.

Continental's hospital plan can be made available

to employee groups of five or more persons. Dependents may be included. A tested, efficient method of merchandising makes it possible to write a large volume of business quickly. Each new client becomes a prospect for other lines.

We submit this plan to the insurance fraternity as evidence of our belief that private enterprise, not socialization, can best solve the problem of adequate medical care for everyone. And we further believe that the American Agency system makes possible an unsurpassable standard of local service.

Inquiries are invited from prominent agencies in every city . . . agencies interested in adding an entirely new line to their multiple-line facilities.

A New, Complete, Four-way Optional Coverage Hospital Plan

HOSPITAL EXPENSE: Provides CASH for the payment of hospital expenses while in ANY licensed or registered hospital in the world. Benefits paid from first day of hospital confinement and continue for THREE MONTHS at rate of \$100, \$150, or \$200 a month, depending on plan selected. Special allowance of \$15, \$22.50, or \$30 for operating room, laboratory, anesthesia, X-ray and ambulance. Costs as low as 60c a month.

SURGICAL OPERATIONS: Provides CASH for the payment of fees for all operations, including fractures, dislocations and minor surgical attention. The basic plan pays amounts ranging from \$5 to \$100. One and one-half times, or double this amount of protection may be taken. Costs as low as 50c a month.

NURSE SERVICE: Provides CASH for the payment of the expense of a graduate nurse, no matter where she is employed. Pays from first day, at rate of \$100 or \$150 a month depending upon plan selected, up to THREE months for any one accident or illness. Costs as low as 50c a month.

MEDICAL TREATMENT: Never before a feature like this. Provides CASH for the payment of doctor bills when disabled, whether treatment is secured at home, the doctor's office or in a hospital, up to FIFTY VISITS, beginning with fourth visit. Rate for each visit is \$2 or \$3, at the option of the assured. Special benefit of \$6 or \$9 paid even if not disabled. Costs as low as 60c a month.

CONTINENTAL CASUALTY COMPANY

DISABILITY DIVISION HOSPITAL DEPARTMENT

910 SOUTH MICHIGAN AVENUE . . . CHICAGO, ILLINOIS

The NATIONAL UNDERWRITER

October 6, 1938

CASUALTY AND SURETY SECTION

Page Twenty-seven

No More Deviations Will Be Allowed in North Carolina

Commissioner Boney Issues an Order Relating to Automobile Liability

RALEIGH, N. C. — Commissioner Boney has ordered automobile liability rates on private passenger cars reduced in the large cities of North Carolina and all deviations from manual rates eliminated throughout the state. At the same time, he ordered a simplification in the definition of class 1 territory.

There are two territories in North Carolina, territory No. 1 and remainder of state. Territory No. 1 had previously included Asheville, Durham, Winston-Salem, Greensboro, High Point, Charlotte, Wilmington and Raleigh. Various towns surrounding each of these cities had previously been included in the territory. Mr. Boney's order extended territory No. 1 to take in the entire county in which each city is located: Buncombe, Durham, Forsyth, Guilford, Mecklenburg, New Hanover and Wake counties.

New Rate Schedule

The rate reduction in territory 1 amounts to \$3 on each class, the new combined bodily injury and property damage liability rates being \$35 for W cars, \$38 for X cars and \$51 for Y cars.

Rates on commercial cars and on all cars in the remainder of the state are unchanged, but approval of all deviations is withdrawn and all companies are required to use the national bureau manual with the rates established by Mr. Boney. Merit rating plans providing for a dividend on renewal at the end of the policy year remain approved, provided the basic manual rates are used on the first year policy.

Loss Experience Good

In his order, Mr. Boney stated that the loss ratio for the last two years has been 48 percent on bodily injury and 36 percent on property damage liability, indicating that rates should be reduced. He also declared that his figures indicate that there is little justification for a difference in rates between the two territories in the state and hence that reductions should be applied to class 1 territory only until the premiums in the two divisions have been equalized.

North Carolina appears to be following a different procedure from most states in simplifying automobile liability rates. While pointing toward an abolition of territorial differences, Mr. Boney has retained the distinctions between W, X and Y cars. In most other states, the number of territories has been increased, but the distinction between types of cars in a particular territory is gradually being eliminated. Besides North Carolina, only Arkansas, New

Hartford Accident in 25th Anniversary Meet

WHITE SULPHUR SPRINGS, W. VA.—More than 600 comprised the Hartford Accident group that gathered here three days this week for one of the most unusual insurance events ever conducted. Of that number about 325 were agents.

The occasion was the twenty-fifth anniversary of the founding of Hartford Accident by potent Hartford Fire. Other companies have had anniversaries and functions to celebrate, but this Hartford Accident gathering was unique, in that, except for the opening hour during which institutional messages were delivered, the meetings were exclusively of the agents, for the agents, by the agents.

Lawton Heads Committee

Carl Lawton of the Lawton, Byrne, Bruner agency, St. Louis, was chairman of the agency committee that worked up the program. Well chosen leaders from the agency ranks presided over periods devoted to designated selling topics. These functionaries gave their conceptions of the topics and then called upon other agents to treat the subject in talks running not more than three or four minutes. A short, pertinent message from those who got the "call" was printed in the convention program; the chairman read that message and then summoned the author to amplify his theory at the microphone.

It was a somewhat daring scheme, as there were numerous potential pitfalls, but it went off in remarkably successful fashion, with a series of practical, tested selling ideas being broadcasted in staccato fashion. Practically everyone in the hall took notes, and some were inspired, as in an old-fashioned revival to get up and give their ideas even though not scheduled on the program.

Monday Morning Arrival

Most of the crowd arrived Monday morning by special trains from east and west.

President Paul Rutherford opened the initial session that morning. The convention reflects his genius as a salesman. He came up through the ranks and has the welfare of the field force at heart.

He recalled that Hartford Accident was organized in 1913 with capital of \$500,000 and surplus of \$500,000. Later that year capital and surplus were increased to \$750,000 each. The statement as of Dec. 31, 1913 showed: capital, \$750,000; surplus, \$739,451; assets, \$1,552,265; net premiums written, \$59,344.

The statement as of June 30, 1938 showed: capital \$3,000,000, an increase over 1913 of \$2,250,000; surplus \$15,000,000, increase \$14,260,548; assets \$72,911,750, increase \$71,359,484; voluntary

Hampshire, Vermont, West Virginia, Alaska and Hawaii have separate rates for all three classes of cars in all territories. In 17 states and the District of Columbia, there is only one rate in each territory for all automobiles, while in the other states, W and X cars take the same rates, at least in some territories, usually in the larger cities.

reserve \$6,635,946.42, whereas none was carried in 1913; voluntary reserve, he said, is in reality surplus, and if so treated the surplus to policyholders would be \$24,635,946.

Net premiums written in 1937 were \$38,462,341, an increase over 1913 of \$38,402,997. Premium writings for the first nine months of 1938 were \$29,692,889, a very slight increase over the corresponding period of 1937 which under the conditions that have existed, however, is a splendid accomplishment on the part of the agents.

Writings in '37, \$38,000,000

"The premium writings of the company in 1937 were \$38,000,000, the third largest volume written by any casualty and surety company in the country," Mr. Rutherford declared. "What were the production methods used to develop these premiums? They varied materially, but after all, generally speaking, human nature is the same everywhere and what succeeds in one place is likely to succeed in another. Furthermore, the same old methods used indefinitely cause those who adhere to them to become stale and lose their punch and enthusiasm. Therefore, we set out to devise a plan that would enable our agents to gain valuable information from one another which at the same time would be furnished the home office and thereby assist the company men in being more helpful to the entire agency organization."

Exchange Production Ideas

"The plan adopted provided for an exchange of production ideas and methods through the home office as a clearing house over a period of six months—for the holding thereafter of an open forum of agents to elaborate on such ideas and methods—and for the publication subsequently of a book for distribution to all agents containing the outstanding material developed. We felt that such a plan would not only be unique in the insurance business, but would also result in great permanent value and assistance to all."

"The response of our agents to the plan as developed to date leads us to believe that it has stimulated a more careful and thorough analysis of this subject of production and that it has resulted in many agents adopting new ways and means of accomplishing better results."

An expression of sympathy was sent by the gathering to J. L. D. Kearney, former president, who has been an invalid for a long time.

Ovation for Bissell

The convention gave a great ovation to R. M. Bissell, chairman of Hartford Accident and president of Hartford Fire who is now back on the job after an illness of eight months. Not only did Mr. Bissell give an address in the opening hour, but he was so moved by the production forum ideas that he got up later and gave some of his ideas on selling insurance. He said his theory long has been that the insurance buyer, in selecting his coverages, should not be motivated so much by the imminence of the hazard as by the situation he should

(CONTINUED ON PAGE 36)

Urges Forward Steps in Automobile Form to Meet Demands

E. W. Sawyer of Boston Takes a Glimpse Forward on Casualty

SYRACUSE, N. Y.—Broader and more simplified liability coverages were forecast by E. W. Sawyer, Boston, assistant general counsel, Liberty Mutual, in his address "Frontiers of Liability Insurance" at the convention of the National Association of Mutual Insurance Companies. Referring specifically to automobile and compensation lines, Mr. Sawyer warned his audience that if insurance companies do not respond to the popular demand to eliminate technicalities, the state, and perhaps the federal government, will do it for them.

The most important requirement in adapting liability insurance to meet present day needs, said Mr. Sawyer, is an open mind and a desire to find out how something can be done, rather than why it cannot be done.

Intelligent Public Relations

He also called for an intelligent public relations program on the part of every person interested in liability insurance, citing the present controversy with the law profession over the field of lay adjusters as an example. If it is necessary to carry the fight with the bar to the people, he maintained, the public will have to be taught the effect which the increased expense of handling all claims through lawyers would have on the cost of liability insurance. Much of the present trouble with liability coverages, particularly automobile liability lines, he continued, is due to the fact that people do not realize that unwarranted verdicts and too liberal settlements increase the cost of insurance to them, that liability insurance is not accident insurance and that a person involved in an accident is not entitled to a settlement simply because he has been injured. Liability insurance is closely interwoven with social problems and if insurance men do not agree with solutions adopted, they must, nevertheless, make an attempt to cooperate until better solutions are found.

Voluntary Medical Cover

The uncompensated victim of an automobile accident presents a social problem more serious than that which led to the adoption of workmen's compensation acts, declared Mr. Sawyer. The interstate use of highways offers an inviting opportunity for federal action. Blind opposition to compulsory insurance is bringing automobile compensation plans closer and closer, with the possibility or probability that the state may take over part of the compensation. A plan for voluntary compensation of persons injured in automobile

(CONTINUED ON PAGE 35)

Illinois Officials Seek Uniformity

Hold Out New York Law with Basic Rate as Goal to Be Sought

In the conferences that Insurance Director Palmer and his associates of the Illinois insurance department have had with company representatives and officers of insurance organizations, it is plain that his program carried out to its ultimate intent means the abolishment of all deviations so far as automobile rates are concerned. It is obvious that Director Palmer has his eye on the New York law, which requires all stock companies to charge the same basic rate and all the mutuals to charge the same basic rate, any deviations to be justified by experience filed with the department. General Accident is the only stock company that has been permitted to file any deviations. Under the New York law the department has powers to accomplish this end.

North Carolina Acts

Commissioner Boney of North Carolina has just issued an order abolishing all deviations. The Texas law permits the commissioner to act in a similar way. When the new Illinois insurance code was proposed, the insurance department practically followed the New York law and introduced its provisions in the draft. But, it was seen it could not be carried and the existing provisions were used. The insurance department in Illinois does not have the power to order deviations removed. It can go only so far as to see there is no discrimination. New York companies can use lower rates in other states. This was done by the Auto Mutual Indemnity, for example, which got into serious difficulties and "lost its shirt." It is now in the hands of the department as liquidator and an assessment will have to be levied.

Desires Uniformity

In the conferences that the insurance department people have had with insurance folks, the point has been made that there should be uniformity in basic rates unless a company can show plainly that it is able to write insurance at lower rates than others. Director Palmer undoubtedly will seek to have legislation passed that will give the department full authority in automobile rating procedure. He will be met with very strong opposition because of the number of Illinois companies that do not belong to the National Bureau of Casualty & Surety Underwriters and follow their own rating methods.

Some of the larger stock companies are inclined to object to those provisions on the ground that the Illinois department is not based on civil service rules as in New York and therefore can be used for political purposes. Some of the executives say that if Illinois had the same machinery as New York so far as the insurance department organization is concerned, there might not be any objection to a similar law regarding automobile rates being passed in Illinois.

Smaller Companies Would Suffer

If all stock companies are placed on the same basic structure and all mutuals on the same, it will practically destroy many of the smaller and medium sized companies that are now doing a fair business. They are not able to compete with the bigger companies so far as size is concerned. They have not the facilities nor momentum. They therefore claim that it is only right that they should be allowed a discount.

The Illinois department has been gathering comprehensive statistics as to experience and sees much virtue in uniformity as to rates, policy forms and procedure.

Trailer Coverage Rates Reduced by National Bureau

NEW YORK—A reduction in the additional charge for trailers used for business purposes in connection with private passenger automobiles is the most noteworthy of several automobile liability manual changes made by the National Bureau of Casualty & Surety Underwriters.

Trailers of this type now take an additional premium of 10 percent of the "X" rate for private passenger automobiles, with a minimum premium of \$2 for bodily liability and \$1 for property damage liability. The old rule called for 25 percent of the "X" rate, with minimum premiums of \$5 and \$3 respectively. Trailer homes and trailers used for showrooms, salesrooms or offices are specifically excluded from this rule. Camp or utility trailers attached to private passenger automobiles may still be covered free of additional charge, but the rule has been reworded to exclude specifically showroom, salesroom and office trailers.

Drive Other Cars Rule

The drive-other-car section has been changed to exclude coverage for operation of trailer homes and showroom, salesroom and office trailers under the limited form and to include it under the broad form of drive-other-car endorsement.

The minimum additional premiums for covering special trips, outings, etc., in which an automobile insured for other purposes is used have been cut in half. Pro rata of the bus rate is charged, but the minimum extra premium for busses has been reduced to \$4 for bodily injury and \$1 for property damage liability. For private and commercial cars the minimum bodily injury premium is now \$5.

Safe Driver Plan Extended

To the list of classifications to which the safe driver reward plan applies has been added private passenger automobiles written under the more automobiles than operators rule. Several detail changes have been made in truck classifications.

The rule for automobile schools has been changed to provide for the "X" rate for automobiles equipped with dual controls applying to at least clutch and brake. Other automobiles used for driving instruction take twice the "X" rate. The garage liability rule for drive other cars coverage for officers of incorporated garages has been extended to include partners of garages organized on this basis.

Stokes to New Century

Alfred E. Stokes resigned from the Hartford Accident in Chicago and was appointed in general charge of the New Century Casualty's automobile department in the home office at Chicago. The New Century started to write automobile five years ago, and this department has grown steadily, requiring periodical increase in personnel. Mr. Stokes has had 20 years insurance experience, starting with U. S. F. & G., then being assistant casualty manager of Fred S. James & Co. in Chicago. Later he was assistant western department manager of the Commercial Casualty in Chicago, connected for a time with Chicago Lloyds before going with Hartford Accident.

Rawdon W. Myers, Aetna Life vice-president and comptroller, last week observed his 30th anniversary with the group. Going to the Aetna Life from National Surety in 1908, he was appointed superintendent of the burglary department, which he organized. In 1914 he was appointed secretary, and ten years later was elected vice-president of the accident and liability department of the Aetna Life, Aetna Casualty & Surety and Automobile. He was elected vice-president and comptroller of all four companies in 1924.

New York Approves Automobile Plan

Provision is Made For Credits and Penalties on Assured

NEW YORK—Superintendent L. H. Pink having approved the method for rating automobile bodily injury and property damage risks in the empire state, submitted by a joint committee composed of representatives of the National Bureau of Casualty & Surety Underwriters; and several stock and non-stock companies, the department is now working upon the new rate formula which the adoption of the program requires. The scheme will be known as the "preferred risk rating plan for New York state," and will probably be sanctioned for use together with rates applicable thereto, within the next month or six weeks.

What are termed good risks will be charged manual rates, while those having accident records will be penalized by an excess rate of from 10 to 15 percent, graded according to the experience on each particular risk.

Though declining to sanction the automobile bodily injury and property damage cover for long haul trucking risks and busses proposed by the Markel office of Richmond, Va., the New York department has indicated its willingness to approve an endorsement to the standard policy; though the changes therein will not be so complete as those desired by the Markel office. The National Bureau of Casualty & Surety Underwriters is at work drafting the endorsement, which will be submitted to Superintendent Pink for review and determination as to its acceptability.

Synan in Ohio for Accident & Casualty

William K. Synan has been appointed special agent in Ohio for the Accident & Casualty and will maintain temporary headquarters in Cleveland. Following graduation from college and subsequent service in the world war, Mr. Synan entered the training school of the Travelers in 1920 and was assigned to the Cleveland office. In 1923 he became casualty and liability underwriter at the Cleveland branch of the United States Fidelity & Guaranty, five years later being appointed assistant manager of the Cleveland branch of the Alliance Casualty, joining the Indemnity of North America when it absorbed the Alliance. In 1935 he was named director of insurance for the Great Lakes exposition.

Employers Makes Two Changes in Field

The Employers group of Boston has established a bonding department at Milwaukee under the general supervision of P. C. Lewis, resident manager Employers group Chicago. The new office is in 312 East Wisconsin avenue, in charge of G. E. Charlan, manager bonding department. Mr. Charlan entered the bonding field in 1925 and for ten years has been associated with the Fidelity & Deposit, recently as manager of the Dallas branch.

Frank Dryer of the home office bonding department was transferred to Chicago as special agent for bonding lines.

Casualty Claims Changes

The Metropolitan Casualty and Commercial Casualty are naming C. E. Lewis casualty claims attorney at Los Angeles and promoting George J. Heinz of the casualty claims department at San Francisco to superintendent of casualty claims for the Los Angeles office.

Retrospective Plan Works, Egloff Says

MUSKEGON, MICH. — Retrospective rating has put new life into the workmen's compensation business, John H. Egloff of the Travelers' agency field service department stated in a talk Wednesday at the annual convention of the Michigan Association of Insurance Agents.

"Used at first to cure risks that had 'gone bad' when things looked blackest, in 1932, retrospective rating is now recognized as a great step forward in the insurance world and today is available to risks which have 'gone good,'" he said.

Now Widely Accepted

"Experience has proved that policyholders are interested in the plan; rating authorities have thoroughly investigated it and have found it safe, sound, practical and non-discriminating. The plan is now effective in 25 states, the territory of Alaska, and the District of Columbia. It became effective in Michigan July 1, 1938."

One of the strongest points, Mr. Egloff said, is that it is closely tied in with accident prevention work, since premium cost is determined after loss experience has been developed.

"The retrospective rating plan is no proposition for the timid individual," he said, "but it is a great proposition for the individual who is sold on an accident control program and is willing to give such a program his wholehearted cooperation. More attention, therefore, is being given to accident control activities which, under retrospective rating, save the policyholder thousands in premium cost and likewise thousands in indirect or hidden costs."

Summary Benefits

Summarizing benefits to the assured, he said it treats the risk individually, subject only to limitations indicated by minimum and maximum premiums. It provides insurance for both normal and abnormal losses with prevention of accidents through improvement of the risk. The risk stands on its own feet and receives in reduced insurance costs directly and promptly the entire benefits which it has earned.

"Retrospective rating," he concluded, "is in my opinion the biggest thing that has happened in the casualty insurance field since the advent of experience rating over 20 years ago."

Report Slate in Boston

BOSTON—The nominating committee of the Association of Casualty Underwriters of Boston submitted a slate for the annual meeting Oct. 6. In accordance with custom two nominations are made for each office: President, P. R. Drowne, Indemnity of North America, and L. M. Dolloss, Aetna Casualty; vice-president, E. R. Duggan, Jr., Maryland Casualty, and N. L. Reuter, Massachusetts Bonding; secretary, G. J. Flight, Great American Indemnity, and H. S. Blue, Standard Accident; treasurer, E. F. Hawes, Ocean Accident, and W. J. Lynch, London & Lancashire.

Bankers Indemnity School

NEWARK—A 20 weeks course of casualty insurance lectures will be given by the officers and employees of the Bankers Indemnity on Tuesday evenings, starting Oct. 11. The fall course will end Dec. 13 and the winter term will open Jan. 10 and end March 7. No fee will be charged for the course and a dinner will be given on March 14 in connection with the commencement exercises. A certificate will be presented to all employees who attend at least 90 percent of the lectures and cash prizes donated by officers of the company will be awarded. Among the lecturers will be President H. P. Jackson, J. C. Onderdonk, Jr., P. H. Guilfoil, A. J. Rosemund, E. H. Babage and W. H. Wunner.

Compulsory Rates in Massachusetts Are Announced

No Passenger Car Change—Cuts on Commercial, Buses, Guest Cover

BOSTON.—Announcement of the compulsory motor vehicle liability insurance rates for 1939 made by Commissioner Harrington discloses that no change will be made in the rates as promulgated a year ago by Commissioner DeCelles as regards private passenger cars. The number of zones will remain the same. Reductions have been made in the schedule for commercial motor vehicles and school buses, and in the non-compulsory guest coverage charge.

The proposed rate for commercial vehicles represents approximately a 5 percent reduction, and on school buses 10 percent. The guest coverage is reduced from \$3 to \$2.60. The reductions will mean a saving to policyholders of \$215,000 on trucks and school buses and \$90,000 on guest coverage.

The rates tentatively announced by the commissioner, for which there will be a public hearing on Oct. 10 before final promulgation, are identical—for passenger cars—with those made last year by Commissioner DeCelles, which were protested by the companies and taken to the courts, where the supreme court found the schedule had been improperly arrived at. As the decision came late in the year and the new rates had been in effect for many months, no attempt was made to alter the schedule last year, notwithstanding the court decision.

The companies claimed the rates of last year were inadequate by about 10 percent and it is significant that Commissioner Harrington states in his message accompanying the new schedule that "there were 12,000 more claims last year than in 1936. Furthermore, the cost of personal injuries incurred on account of automobile accidents last year amounted to approximately \$3,500,000 more than the previous year."

If the 1938 rates were inadequate by 10 percent, and the experience of the year discloses an extra \$3,500,000 of losses over the expected for 1937, the companies may be expected to make a strong protest against the Harrington schedule, which will make an actual decrease in premium income of over \$300,000 from the 1938 rates.

Commissioner Harrington offers in explanation that "normally this experience (the \$3,500,000 extra loss in 1937) would result in increase in rates, but the results of 1937 appear to be abnormal and not truly indicative of prospective conditions on the highways of Massachusetts."

Commissioner Harrington says of the guest coverage reduction: "The figures on which guest occupant rates have been based indicate an improvement in the experience on this class of coverage and I have reduced the premiums for this coverage by approximately \$90,000. This premium reduction, together with a premium reduction of approximately \$215,000 on account of reduced commercial automobile rates, results in a saving to the public of more than \$300,000."

Representatives of civic organizations and automobile associations in four Massachusetts municipalities have filed protests with the commissioner on the new rates.

Although the rates were the same as

Court Takes Step To Assessment by Central Mutual

A legal step toward levying an assessment against the policyholders of the defunct Central Mutual of Chicago was completed last week when Circuit Judge Prystalski in Chicago overruled a demurrer to the petition of H. G. Miller, receiver, for an order for assessment. This point has been under consideration since last summer. The legal sufficiency of the petition for assessment had been attacked by Myer Rosengard, attorney for a group of policyholders in Central Mutual, on the ground that the receiver had no authority to levy an assessment under the old Illinois mutual insurance company act, and that only the officers of the company could do so. The Central Mutual was placed in receivership before the new Illinois code went into effect. The new code makes the insurance director liquidator of all insolvent companies and specifically authorizes him to levy assessments, so this legal question will not arise again in Illinois.

An appeal from Judge Prystalski's ruling is not contemplated by the Central Mutual, but Mr. Rosengard stated that an answer to the petition will be filed by Nov. 5, the time allowed for this. The petition seeks a 100 percent assessment against the 29,000 policyholders of the company, which wrote a large volume of automobile business in 16 states, to satisfy claims and debts alleged to exceed \$4,000,000. It has been estimated that not more than 20 percent of the assessment is collectible, if one is levied, but some of the assured are large truck operators and the assessments against some of these individual policyholders would be very substantial.

the 1938 rates for pleasure cars, the organizations in Worcester, Chelsea, Wilmington and Auburn insist they have earned reductions this year as a result of safety campaigns conducted among the motorists of their communities the past year. The number of deaths, as well as the number of injuries, has been drastically cut down and claims have been reduced as a result of civic groups investigating accidents for the purpose of eliminating fraudulent claims, it is maintained.

Those protesting will be given opportunity to air their grievances at the public hearing Oct. 10.

Policyholders Are Now Protesting

Plight of Auto Mutual Indemnity Which Is Levying An Assessment

NEW YORK—To date some 200 policyholders of the defunct Auto Mutual Indemnity of this city, which was taken over for rehabilitation by the insurance department last Nov. 10, and for liquidation two weeks later, have filed objections to the 40 percent assessment levied against them. Still others, it is anticipated, will take similar action, which will mean considerable litigation must ensue before its affairs can be disposed of finally. To offset the estimated total losses and liquidation expenses of \$797,750 assets, appraised Dec. 30, amounted to about \$556,000; hence the assessment determined upon, which was levied on earned premiums under policies covering 12 months from Nov. 10, 1936.

Lines Proved Ruinous

The Auto Mutual was organized in 1922, to write public liability and property damage coverage on taxicabs and long haul truck risks. It ran into difficulties through unusual losses early last year, and was taken over by new management. A percentage of the business was reinsured, and while this course eased the burden on the concern somewhat, it merely postponed the inevitable.

Under the laws of this state mutual companies are required to incorporate in the body of their policies notice to the effect that holders are liable to assessment for one annual premium in addition to that already paid. The Auto Mutual is reported to have ignored this requirement, contenting itself with a notation on the back of its contracts that they were issued subject to the requirements of the New York statutes. In addition to its home state the Auto Mutual was licensed in Maine, Maryland, District of Columbia, Florida, Georgia, South Carolina, Ohio, Alabama, Delaware, Indiana, Kentucky and Tennessee.

Resume Portland Meets

PORTLAND, ORE. — The Surety Association of Portland resumed its regular meetings this week with President Harold Hayes presiding. Other officers are C. D. Porter, vice-president; C. A. Thomassen, secretary-treasurer.

Cooperatives Ask Opportunity to Present Data

Viewed as Possible Alternative to Government Price Regulation

NEW YORK—Competition from consumer cooperatives as an alternative to governmental price regulation is being proposed in connection with the federal monopoly investigation. As far as the effect on the life insurance business goes, the consumer cooperative idea appears to be by a wide margin the lesser of the two evils, whether considered solely as directly affecting insurance or in its broader effect on general business activity and the consequent effect on insurance sales and opportunities for investment of assets.

How far the cooperative method of curbing monopolistic practices will supplant other proposals for attaining the same end is anybody's guess at the present stage. While not claiming any particular New Deal bias in their favor, leaders in the cooperative movement feel that the government's mind is open and that they have a good chance of proving that their plan is the most practical and the fairest way of handling the situation.

Wants to Submit Data

The Cooperative League of the U.S.A. has asked the monopoly committee for an opportunity to present statistics and other data on the effect of cooperatives in preventing monopoly price-fixing. Perhaps nothing more may be heard of the proposal until the open hearings are held. At that time the league proposes to present evidence based on European experience with cooperatives, particularly in Sweden and the other Scandinavian countries, in breaking monopolies by cooperative competition rather than governmental regulation.

Why competition from even the most efficiently managed cooperatives should be preferable to regulation of prices by government boards is not difficult to

(CONTINUED ON PAGE 35)

LEADERS AT HARTFORD A. & I. FUNCTION



R. M. BISSELL



PAUL RUTHERFORD



CARL S. LAWTON

At the great production forum in White Sulphur Springs, W. Va., marking the 25th anniversary of Hartford

Accident, R. M. Bissell, chairman, made an address during the opening period; President Paul Rutherford was in gen-

eral charge and Carl S. Lawton of St. Louis functioned as chairman of the agents committee.

ACCIDENT AND HEALTH

Hoodoo Day Plan for January Drive Is Now Available

Plans are now being made for the 1939 Hoodoo Day campaign on Friday, Jan. 13, by The Accident & Health Review, a NATIONAL UNDERWRITER publication. In the 1938 Hoodoo Day drive 442 agents qualified for the Black Cat Club by writing at least 13 accident applications on Friday, May 13.

Samples of The Accident & Health Review's 1939 Hoodoo Day promotional material are now available. The successful "26-13" plan used by the majority of qualifiers for the Black Cat Club will be continued. The Hoodoo News has a new style first page with a ferocious, green-eyed black cat ready to pounce on the reader. Old Man Hard Luck, the patron saint of Hoodoo Day, is pictured on the inside pages, announcing his 1939 campaign slogan, "More Accidents, more hospital beds filled, more crutches and fewer pay checks." Hoodoo Oddities, Lady Luck, and "13" statistical facts add to the interest. The Hoodoo News will be a self-mailer with a place for the agent's business card for identification.

Special Black Cat Model

To get something different for the post card a special model of a Black Cat was prepared and its picture lends force to the "Beware, Friday, the 13th!" warning. Few who receive this card are going to let Hoodoo Day pass without a cautious thought or two.

A special black cat cut-out is used for the prospect folder with 13 rules for Hoodoo Day participants. Complete samples are given in a special plan booklet which can be secured from The Accident & Health Review for 10 cents.

To enable sales executives further to stimulate the Hoodoo Day idea among their men, three special sales promotion bulletins have been prepared and these are included in a special sales promotion plan, copies of which will be sent to company executives, general agents and managers on request.

Hospitalization Plan of Provident L. & A.

Home office and field salaried employees of the Provident Life & Accident are being offered on a cooperative basis its new hospitalization insurance plan.

In an announcement by President Robert J. Maclellan, the principal features are outlined as follows:

Hospital board, starting with first day of confinement, continuing for 28 days if necessary, at a maximum daily rate of \$4; additional fees for hospital extras to cover operating room, anesthetic fee, and miscellaneous; allowances covering surgeon's fees in connection with operation in three classes—major, intermediate and minor.

Employees are permitted to take the plan for themselves alone; for themselves and one dependent, and for all dependents, on a graduated premium scale.

The coverage does not extend to such disabilities as may be incurred in active company service, that would come under workmen's compensation laws.

The coverage for dependents under surgeon's operation fees is one-half the face amount of that allowed the employee. Any hospital approved by the American Medical Association or the American College of Surgeons may be selected by the insured, who also has the choice of a surgeon to perform the operation.

This hospitalization is contracted through the group department of the company.

Honor Is Paid to H. R. Kendall on His 45th Anniversary

The Washington National of Chicago recognized the 45th anniversary of Chairman H. R. Kendall's entrance into the insurance business. His home office associates gathered in his office to present him with a number of tokens. Mr. Kendall is a self-made man. He was born on the stumpy acres of a Kentucky farm and he had to work and work hard. He served as president of the Fidelity Life & Accident of Louisville, and later vice-president of the Washington Health & Accident of Chicago. The Washington National was formed by the merger of these two companies and the United States National Life & Casualty of Chicago. Before becoming a company official Mr. Kendall was in the service of the Prudential for 30 years. He was superintendent at Louisville for almost 25 years and was leading the United States when he resigned to establish the Fidelity Life & Accident. He started to carry a rate book for the Prudential in New Albany, Ind., was made assistant superintendent, serving three years in that capacity in Covington, Ky., and Columbus, Ind. When he was 21 years of age he was placed in charge of the Terre Haute, Ind., office as superintendent. Two years later he was made superintendent at Louisville. He is an outstanding figure in accident and life insurance. He is a man of high principles, strict integrity, possessing aggressiveness and forcefulness in his work. He and his brother, President George R. Kendall of the Washington National, have developed a magnificent institution.

New Conference Directory

The 1938-39 directory of the Health & Accident Underwriters conference has just been issued. It offers a handy reference for names of conference representatives as well as providing a source of miscellaneous information about conference companies and the conference organization.

The new directory contains the following changes: Activities of the conference have been revised to include new activities started last year. Each company is further classified according to type of organization—stock, mutual, fraternal, or assessment. The classification of addresses and reports at annual meetings has been revised to show a more detailed list of topics.

Conference Regionals

The first regional meeting of the Health & Accident Underwriters Conference for this season was held Tuesday in Indianapolis, in charge of Harold R. Gordon, executive secretary. The meeting was devoted to a round table discussion of current problems of interest in the field of accident and health and hospitalization insurance.

Other regional meetings will be held in Detroit and in Columbus, O., the last week in October.

Breyer to Be Speaker

SAN FRANCISCO — While the entire program for the annual convention of the California Association of Accident & Health Clubs here Oct. 14-15, has not been made public by G. W. Kemper, Fireman's Fund, general chairman, it is announced that Sam T. Breyer of the General Accident is to be one of the principal speakers. Mr. Breyer, who averages 60 applications a month for \$2,000 "cash with apps," will tell "How He Does It." The morning session the opening day is to be devoted to business reports and organization matters, followed by luncheon. The afternoon

session is to consist of "money-making ideas," followed by a dinner. On Saturday the delegates will have a preview of Treasure Island, site of the 1939 exposition.

Bryant Portland Head

PORTLAND, ORE. — Malcolm S. Bryant, assistant general agent North American Accident, has been named president of the Accident & Health Managers Club here.

He graduated from the University of Washington in 1934 and shortly afterward joined the North American. His father, John H. Bryant, has been general agent here since 1907 and some 20 years ago was the first president of the Accident & Health Managers Club.

Farm Hospitalization

JEFFERSON CITY, MO. — The State Farm Bureau has organized one of the first group hospitalization plans for farmers in the country. The Marion County Farm Bureau has started canvassing its members and the campaign will eventually cover at least 50

counties. Under the plan the individual will pay \$2.25 every three months with a \$4.50 charge for entire families. The payments entitle members to the benefit of 21 days hospital care each year, use of operating rooms and most of the standard hospital services. A 65 age limit is set. A 20 percent membership of each county bureau is necessary to complete the unit.

Ekern Milwaukee Speaker

MILWAUKEE—There is a golden harvest waiting in the field of health insurance alone because most people who need health insurance don't have it. H. L. Ekern, president of the Lutheran Brotherhood and Wisconsin lieutenant governor, told the Milwaukee Accident & Health Association at its opening fall meeting. The social security plan, old age pensions, group hospitalization plans and other new forms of insurance are making the great mass of people more insurance-minded, he said. The people have come to know what insurance is, to understand it and want it. Now, all that remains is for someone to think out a method of getting them to go a step further and buy it.

CHANGES IN CASUALTY FIELD

Changes Announced by the Travelers at Four Points

Four promotions in its casualty field staff in the southern section have been announced by the Travelers. Kenneth R. Webb, formerly manager in St. Louis, has been made associate manager in Philadelphia. Karl L. Nurdyke, previously manager in Louisville, succeeds Mr. Webb in St. Louis. Rai Lowry, who was assistant manager at Louisville, now becomes manager. E. Dudley Sanders, who was a field assistant at Charlotte, N. C., succeeds Mr. Lowry.

Mr. Webb has served in six different territories in the 15 years he has been with the Travelers. He started as a field assistant in Omaha and subsequently has served in various capacities in Springfield, Mass., Minneapolis, Denver, Atlanta and St. Louis.

Mr. Nurdyke joined the Travelers in 1926 as a field assistant in New Orleans. He has served also in Cincinnati and Richmond. He was assistant manager in St. Louis two years and became manager six years ago.

Mr. Lowry joined the Travelers as a field assistant in Louisville in 1927. He became assistant manager in Louisville a year ago.

Mr. Sanders took his first position with the Travelers as a field assistant in Charlotte 10 years ago.

Sayer With State Fund

NEW YORK—Henry D. Sayer, manager of the casualty department of the Association of Casualty & Surety Executives, has resigned to become deputy executive director of the State Insurance Fund, under the recently enacted reorganization law.

Mr. Sayer, as industrial commissioner, some years ago was the chief administrative officer in charge of the fund and had much to do with bringing it through its early years.

Lawlor Opens This Week

The heading in the notice of the opening of Ray L. Lawlor's adjusting office in Rock Island, Ill., set the date as Nov. 3. It should have been Oct. 3.

Sheldon Is Promoted

Fred S. James & Co. of Chicago has promoted Willis S. Sheldon to assistant manager of the casualty department. R. E. Mahan is manager. Mr. Sheldon has

been with James & Co. for two years in charge of the automobile department. Prior to that he was with the Travelers' Chicago branch office in charge of automobile underwriting, being connected with that office for eight years.

Department Is Enlarged

SAN FRANCISCO—The metropolitan department of the Associated Indemnity and Associated Fire & Marine has been enlarged to take in all of northern California. F. H. DeWitt is in charge of underwriting and James H. Russell, assistant vice-president, is in direct charge of the department.

Goes to Standard Surety

NEW YORK—H. R. Marvin, newly appointed claims attorney of the Standard Surety and Casualty, had previously been with the metropolitan department of the Indemnity of North America for several years and bears an excellent reputation as a trial lawyer.

C. C. Washburn in Charge

SAN FRANCISCO—C. C. Washburn, field superintendent for the Preferred Accident at its New York City head office, is in San Francisco taking charge of the Pacific department following the death of Manager Fred Timby.

Tarbell Surety Special

The New Amsterdam Casualty has appointed Donald K. Tarbell special agent of its surety branch office in Boston, for the New England states.

S. F. Pickering, who for some years has been assistant cashier of the Travelers Nashville office, has been appointed cashier.

Pennsylvania Chief Actuary Goes With Philadelphia Life

David R. Roche, chief actuary of the Pennsylvania department, has resigned to become assistant secretary of Philadelphia Life. He had been successively chief life examiner, chief division of companies, and chief compensation actuary.

At a farewell luncheon at the Penn Athletic Club, Philadelphia, Mr. Roche was presented a cigarette case by his associates in the department.

C. S. Smith has been appointed to succeed Mr. Roche as chief compensation actuary.



On the storm-swept shores of northern Newfoundland, at a logging headquarters insured by the Royal-Liverpool Groups, fire broke out and caused extensive damage.

Although easily accessible by steamer in the summer and early fall, reaching the scene of this mid-winter fire presented many difficulties. After proceeding part of the way by rail, the adjuster covered some forty miles across country to the coast by dog-team; and then, for the final twenty miles, by motor boat.

The claim files of Royal-Liverpool Companies record thousands of similar instances—prompt and conscientious discharge of obligations under both simple and difficult conditions, near at hand and in remote corners of the globe.

This is No. 14 of the series, "Round the World with the Royal-Liverpool Groups."

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Sweeping Reduction Made on Bankers Blanket Bonds

NEW YORK—Sweeping reductions in bankers blanket bond rates, particularly for smaller banks, have been put into effect by the Towner Rating Bureau. They affect the four common forms, No. 8 revised, which is the broadest form for banks generally; No. 2, more limited and also for general use; No. 5 revised, for savings banks only, and No. 16, for building and loan associations and credit unions.

For smaller banks, with 25 employees or less, the bankers blanket bond premium is a flat charge quoted in the manual, with no surcharges and with additional charges for insurance in excess of \$25,000 and for additional coverages such as misplacement and forgery. Rates for these institutions have been reduced from 5 to 30 percent. The minimum number of employees and officers on which these premiums are based is reduced from six to three. The lowest premium, for a \$10,000 bond on a bank with three employees is \$250 for form No. 2 without misplacement coverage and \$334 for form No. 8 revised without forgery. For a \$10,000 bond on a bank with six employees the new premium for Form No. 2 is \$289, as compared with the old charge of \$414. For form No. 8 revised on the same basis the charge has been reduced from \$724 to \$516.

At the other end of the scale for small banks, a \$25,000 bond for a bank with 25 employees now costs \$656 for form No. 2 coverage and \$1,187 for form No. 8 revised. The old premiums were \$703 and \$1,237.50 respectively. Premiums for insurance in excess of \$25,000 have been likewise reduced. Similar reductions have been put into effect for form No. 5 revised, which is used extensively in the east for savings banks.

Larger building and loan associations, with assets of more than \$4,000,000 and more than 25 employees, also enjoy a reduction. The surcharge for forms No. 2 and 16 is reduced from 15 percent to 5 percent and for form No. 8 revised from 110 percent to 90 percent. Premiums for smaller associations are unchanged.

Bank fidelity rates are also reduced and the premium computation schedule rearranged. Reductions range from 12½ percent to 37½ percent.

Improved experience is given as the reason for these reductions. It is hoped by surety men that these rates will induce smaller banks to increase their protection. London Lloyds competition has been felt on small institutions, but not to an extent comparable with that on large banks and much of this business is written by American companies. It is believed that there are still many small banks which have not substituted a bankers blanket bond for separate fidelity and burglary insurance and agents will undoubtedly be urged to solicit these institutions aggressively. The reductions apply to existing as well as to future business and assured may either secure a pro rata refund or may apply the difference in premium to purchase increased coverage.

Menn at Grand Rapids

W. H. Menn of Los Angeles, newly elected president of the National Association of Insurance Agents, made his debut in an official capacity when he spoke briefly on association affairs at the monthly meeting of the Grand Rapids local board. Roy Q. Harrison was in charge of arrangements. Mr. Menn was on his way to Muskegon to talk at the state association meeting.

The United States Fidelity & Guaranty has captured the United States Navy Department bond for new marine corps barracks at San Diego. M. H. Golden of San Diego was the low bidder with the price of \$810,300.

ASSOCIATIONS

Moriarty Head of Des Moines Club

DES MOINES—C. M. Moriarty, Iowa manager of the U. S. F. & G., was elected president of the Casualty & Surety Club of Des Moines at its annual meeting Monday, which also was its first fall gathering.

J. R. Owens, American Bonding, was named first vice-president; M. H. Jamar, Massachusetts Bonding, second vice-president; H. H. Haynes, reelected secretary-treasurer and Keith B. Merrill reelected to the executive board.

Two new members were taken into the organization, J. T. Bjerke, U. S. F. & G., and Eugene Smith, Hartford Accident.

Reports were made by those attending the St. Paul convention of the National Association of Insurance Agents and the secretary and treasurer made reports showing the club was in good financial condition.

Open Detroit Season

DETROIT—Plans for the season's activities of the Casualty & Surety Executives Association were discussed at the first fall meeting, with President A. C. Taylor, resident vice-president Fidelity & Deposit, presiding. Members have been permitted to designate alternates to represent them at such meetings as they cannot attend personally. Formerly no one but the heads of the company branches were permitted to sit in at the luncheons.

Burglary Club Meeting

The Chicago Burglary & Plate Glass Association, formerly the Burglary Underwriters Club of Chicago, held its first meeting of the fall term following a luncheon. No speakers were scheduled, the meeting being an informal discussion of underwriting problems. W. A. Coan, acting manager American Indemnity, is the organization's new president.

Casualty Actuarial Meeting

NEW YORK—The annual meeting of the Casualty Actuarial Society will be held at the Hotel Biltmore in this city Nov. 17-18. Members having papers in preparation are urged to send them in early in order to permit their printing for distribution at the initial session.

Start Denver Season

DENVER—The Mountain States Casualty & Surety Association met for organization of winter activity plans. Henry Evans of Cashman & Evans is president. The election of officers and annual meeting has been postponed until January.

Milwaukee Board Bulletin

MILWAUKEE — The Milwaukee Board of Casualty & Surety Underwriters has issued the first of a series of bulletins to members and plans to issue similar news letters from time to time to keep members and solicitors advised of news in their field in Milwaukee.

Agents Wanted

BEAUTY SHOP LIABILITY INSURANCE

Policies written by Responsible American Company in business over 26 years.

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C. T. KIPLINGER, General Agent
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county. The first bulletin is devoted to the organization, purposes and accomplishments of the board, prepared by Theodore Johnson, secretary. With each bulletin is enclosed a questionnaire prepared under the direction of the directors, requesting detailed information as to status and location to be used in compiling a statistical file of office and company affiliation of all individuals soliciting business in the county.

The Casualty & Surety Club of Baltimore is holding its fall outing Oct. 6 at the Rolling Road Golf Club.

COMPENSATION

Retrospective in N. H.

CONCORD, N. H.—The retrospective rating plan for compensation risks is now in effect in New Hampshire, applying to risks involving premiums of \$2,000 or larger. Commissioner Rouillard states that as a part of the plan in this state provision is made for insuring the waiver of retrospective premium in excess of the standard premium. This will be permissible in connection with the original retrospective compensation policy to be covered by a standard endorsement approved by the department.

Air Hygiene Bulletins

Two new bulletins outlining how measures for combating industrial disease and for guarding employee health are now being distributed by Air Hygiene Foundation of Pittsburgh to its member companies. One deals with "Determination of Lead," a metal which alone or in combination constitutes a "triple threat" to health of workmen exposed as it and its compounds can be inhaled, swallowed, or absorbed through the skin. The other publication is a guide for appraising dust risks.

Confer on Minnesota

ST. PAUL—A. H. Kleffman, secretary Minnesota compensation insurance board, and J. F. Reynolds, manager Minnesota compensation rating bureau, expect to go to New York the middle of this month for a conference with officials of the National Bureau of Casualty & Surety Underwriters, relative to new rate proposals in Minnesota.

Change Experience Plan

NEWARK—The New Jersey compensation rating and inspection bureau is changing the tabular values of the New Jersey experience rating plan for application to qualified risks, effective Dec. 31.

Changes in classifications and rates of the New Jersey manual have also been adopted by the governing committee and have been approved by the insurance commissioner. There will be no change in rates.

N. M. Mutual Quits Council

The Pioneer Mutual Compensation of Santa Fe, N. M., a local mutual operating in New Mexico, has withdrawn from the National Council on Compensation Insurance.

National Surety Men on Tour

President Vincent Cullen and Vice-president Sherman C. Drake of the National Surety, who together with their wives attended the St. Paul convention of the National Association of Insurance Agents, journeyed on to the Pacific northwest. They will be absent until the middle of the month. Mr. and Mrs. Cullen were hosts at a cocktail party following the last session of the convention. They were assisted by Mr. and Mrs. Drake and B. J. Nietschmann, Chicago manager, and Mrs. Nietschmann.

T. S. Medlin, Travelers, has been elected president of the Little Rock Exchange Club, succeeding S. R. Cockrill, Aetna Life.

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We specialize in Public Liability coverage of any nature—especially the unusual ones.

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CASUALTY PERSONALS

M. Gordon Grahame of the Rollins, Burdick, Hunter Company agency of Chicago, has been in the Ashland General Hospital, Ashland, Wis., and was not able to attend the funeral services for his brother, T. J. Grahame, first vice-president of Globe Indemnity. Gordon Grahame suffered a broken leg in an automobile accident, while he was driving with William Rasmussen, also of Rollins, Burdick, Hunter, on a fishing trip. Mr. Rasmussen suffered minor injuries, but is now back on the job.

C. W. Brown, president and general manager of Merchants Mutual Casualty of Buffalo, has been elected a director of Lawyers' Title Corporation of New York.

J. L. Howard of the Travelers in charge of the life department and **T. W. Cole**, assistant superintendent of agencies, stopped off in Chicago to confer with the local staff, en route to the St. Paul convention of the National Association of Insurance Agents.

J. Dillard Hall, assistant agency director United States Fidelity & Guaranty, visited Des Moines, his former home, after attending the St. Paul convention of the National Association of Insurance Agents. He formerly was manager of the Des Moines office of the U. S. F. & G. for ten years and then went to Chicago as manager. Mr. Hall founded the Des Moines Casualty & Surety Club while a resident there.

Miss Violet Thomson, formerly chief underwriter of the Aetna Casualty branch office in Kansas City, and widely known among insurance men in that section, is up and around again, although she is not expected to resume her duties with the Aetna. Miss Thomson has been seriously ill for two or three years and has undergone several operations. She still hopes to be able to become active as an agent, though she continues on retired pay from the Aetna with no duties assigned her.

Harry F. Legg, vice-president Fireman's Fund Indemnity, New York, passed through Chicago this week on his way east from a trip.

Mr. and Mrs. **S. A. Teas** of Fort Worth, Tex., were injured in an automobile collision two miles east of Carlisle, Ark. Mr. Teas is a member of the firm of Head-Teas & Co., Fort Worth local agents. He was listed as one of the men to take part in the group meeting discussion at the Hartford Accident & Indemnity's round up at White Sul-

phur Springs this week. Police said that the Teas car entered a smoke pall first due to grass fires and the machine was stopped when Mr. Teas became blinded. Before he could alight his car was struck head on by another and five other machines and a truck crashed into them. One person was killed.

Mr. and Mrs. Teas are in a hospital in Arkansas.

Maj. C. G. Kizer, member of the Virginia industrial commission since its organization in 1918, was sworn in last week for a new term of six years. Although eligible for retirement under an act of the 1918 legislature, he says he expects to continue in harness as long as his health permits. He was recently in a hospital but his health is now greatly improved.

A. L. Wortmann, branch manager of Aetna Casualty, Milwaukee, is convalescing at his home from an accident sustained while riding a horse at his country home. The horse stumbled and fell, rolling on Mr. Wortmann, who sustained knee and ankle injuries but fortunately no broken bones. After a

week in bed, he is now able to be up and around the house and expects to be back at his office shortly.

Heinrich to Give Address

H. W. Heinrich, assistant superintendent of the engineering and inspection division of the Travelers, will take prominent part in the program of the silver jubilee safety congress and exposition, sponsored by the National Safety Council, to be held in Chicago Oct. 10-14. Mr. Heinrich will deliver an address on "Accident Costs in the Construction Industry."

He is the author of numerous articles and pamphlets on the prevention of accidents in industry as well as the "Accident Cause Code" now used by Pennsylvania and the U. S. Labor Department.

Insurers Indemnity Joins

A present accession to the roll of the Association of Casualty & Surety Executives is the Insurers Indemnity of Tulsa, Okla. The enrollment increases membership in the organization to 62 companies.

Course for Adjusters

NEW YORK—A course in medical jurisprudence shortly to be announced by the Insurance Society of New York,

is intended to be especially helpful to adjusters of casualty claims.

Can't Pass on Obligation

KANSAS CITY—A growing body of judicial decisions is impressing on principals that they can't successfully pass on their obligation to third parties in connection with contingent liability, William J. Welsh, Mann, Barnum, Kerdolff & Welsh, told the insured buyers conference of the Associated Industries here. Mr. Welsh also discussed the large number of secondary, contractual liabilities imposed by property agreements, leases, and the like.

F. W. Selsor to Speak

Frank E. O'Brien, secretary of the Fidelity & Casualty, who was slated to speak at the Kansas agents meeting this week at Wichita arranged to have **F. W. Selsor**, claim attorney at its head office in charge of fidelity claims, give an address. Mr. Selsor will present the same talk that he did before the National Association of Insurance Agents last week at St. Paul.

Frank O'Brien of the Fidelity & Casualty will comment on Mr. Selsor's talk, showing the best plan to use the information that the speaker gave to produce fidelity bonds.

THAT'S THE TICKET

That's the ticket. This slang expression is a corruption of that's the etiquette—that's the proper mode of procedure. Etiquette is the French word for a ticket, and its present meaning in English arose from an old custom of distributing tickets, or etiquettes, upon which the ceremonies to be observed at any formal proceeding were duly set forth. The modern word "programme" exactly corresponds to the old "etiquette."

—"*Words, Facts and Phrases,*" Edwards.

Stock Insurance in a dependable Company—that's the ticket for the intelligent Agent.

Bankers Indemnity Insurance Co.
Newark, New Jersey

« Casualty Affiliate of The American Insurance Group »

Auto Rate Hearings Are Being Held in Oklahoma

OKLAHOMA CITY—Because of complaints received regarding deviations and lack of supervision in connection with Class 4 commercial and private passenger automobiles and fleets, the Oklahoma insurance board scheduled an informal meeting to discuss methods of bettering the condition.

Leslie Williams, U. S. F. & G. manager, and **J. Stuart Pearce**, Pearce, Porter & Martin, Tulsa, presented stock bureau companies; **Vernon Sills**, Ponca City and **Rupert Johnson**, manager Employers Casualty, the non-bureau companies; **Vernon Burnside**, Travelers Mutual of Des Moines, and **Clifford Jones**, Casualty Reciprocal Exchange and Equity Mutual, mutuals and reciprocals.

Plans for establishing uniform rates on private passenger and commercial automobiles and fleet insurance, were discussed and the advisability of establishing a service bureau was taken under serious consideration. **Mott Keys**, actuary state insurance board, was named chairman of the committee. A second meeting is being held this week.

Friendly Cooperation With Agents for Over Half a Century

- A record to be proud of: In this span of years The Preferred Accident has built up and maintained a progressive staff of agents throughout the country, with whom its relationship has been friendly and mutually profitable.

THE PREFERRED AGENT has the benefit of direct contact with the home office—thus giving the close personal touch so helpful in agent-company dealings.

Accident
Automobile
Burglary
Plate Glass
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THE PREFERRED ACCIDENT INSURANCE COMPANY

of New York

80 MAIDEN LANE, NEW YORK

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Dependable Insurance Service

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Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

A Stock
Company

The
Buckeye Union
Casualty Co.
HOME OFFICE
Columbus, Ohio

Territory in
Ohio and
Indiana

COMPANIES

Central Mutual Plate Glass Hearing Continued

Hearings on the attempt of the insurance department of Illinois to put Central Mutual Plate Glass of Chicago into liquidation have been postponed until Oct. 18. Superior Judge McKinley in Chicago continued the case at the request of Myer Rosengard, attorney for the company, who stated there was a chance of securing sufficient money to reorganize the company. In his answer to the insurance department's petition for liquidation, Mr. Rosengard denied that the company was insolvent and alleged that the deposit of securities required under the new Illinois code had been tendered but had not been accepted. The attorney general made a motion to strike this answer as insufficient in law and a ruling will be made on this motion if a reorganization plan is not presented. If the motion to strike the petition is overruled, there will then be a hearing on the question of Central Mutual Plate Glass' solvency.

Sterling Indemnity Plans

The Sterling Indemnity is being formed by Los Angeles insurance men, the name having been approved by Commissioner Goodcell, and the charter filed with the department. It will have \$1,000,000 authorized capital, but will begin business with only a portion of the authorized capital. It will write casualty lines. Officers are: President, H. Gekler; vice-president, A. Watson, and secretary-treasurer, E. Fraiser. It is expected that complete announcement of the company's plans will be made shortly and the organization completed.

New Head of Allied Mutual

Harold S. Evans of Des Moines has been elected president of the Allied Mutual Automobile, succeeding O. K. Maben of Garner, Ia., who died recently. His father, John Evans of Grinnell, is president of the Iowa Mutual Tornado and Farmers Mutual Reinsurance. The father preceded Mr. Maben as head of the Allied Mutual, 1929-1936.

Harold Evans started out as adjuster for the Allied Mutual in 1931, and was elected secretary in 1936.

To Hear Claimants

There have been 9,475 claims for \$990,010 filed against the Republic Automobile of Detroit, according to G. G. McDan, acting receiver. A hearing on them will be held at Lansing Oct. 25.

The Allstate of Chicago has been licensed in Virginia.

William Goetz has been elected treasurer and W. O. Waters, assistant treasurer of New York Casualty.

Present Day Views and Trends in Insurance

(CONTINUED FROM PAGE 19)

associations or particular people. The result is that some of the conferences have very live, driving chairmen who keep people on their toes while others sit back and allow the proceedings to drag. These conferences can be made immensely interesting if the chairman keeps the wheels going.

During the last few conventions it has been apparent that no company, organization or person should attempt to entertain the entire convention unless it has full facilities to handle all the details. There have been some miserable failures and embarrassing situations because all comers could not be fed or could not see the entertainment features. The convention has now developed to a registration of 1,800. To take care of even 1,000 people requires space, facilities and man power. Evidently there must be planning and the details carefully worked out. If an event can be put over

Underwriting Limits Are Announced by Treasury

The net underwriting limit on any one bond for surety companies as of Sept. 16 has been announced by the U. S. Treasury Department. Foreign companies are authorized to write re-insurance only.

Aetna Casualty	1,847,000
American Bonding	169,000
American Employers	412,000
American General	89,000
American Indemnity	185,000
American Motorists	195,000
American Reinsurance	583,000
American Surety	1,342,000
Associated Indemnity	\$ 170,000
Central Surety	248,000
Century Indemnity	343,000
Columbia Casualty	392,000
Commercial Casualty	217,000
Commercial Standard	60,000
Continental Casualty	738,000
Eagle Indemnity	272,000
Employers Casualty, Tex.	81,000
Employers Reinsurance	519,000
Excess	141,000
Eureka Casualty	74,000
Fidelity & Casualty	1,482,000
Fidelity & Deposit	919,000
Fireman's Fund Indemnity	351,000
General Casualty	177,000
General Reinsurance	686,000
Glens Falls Indemnity	302,000
Globe Indemnity	750,000
Great American Indemnity	403,000
Hartford Accident	1,809,000
Home Indemnity	265,000
Indemnity of North America	671,000
Inland Bonding	50,000
International Fidelity	186,000
Kansas Bankers Surety	55,000
London & Lancashire Indem.	209,000
Maryland Casualty	652,000
Massachusetts Bonding	478,000
Mellbank Surety	1,005,000
Merchants Indemnity	153,000
Metropolitan Casualty	270,000
National Automobile	93,000
National Casualty	150,000
National Surety	1,141,000
New Amsterdam Casualty	735,000
New York Casualty	189,000
Northwest Casualty	73,000
Occidental Indemnity	200,000
Ohio Casualty	146,000
Pacific Indemnity	435,000
Peerless Casualty	97,000
Preferred Accident	408,000
Royal Indemnity	862,000
Seaboard Surety	250,000
Standard Accident	484,000
Standard Surety	208,000
St. Paul-Mercury Indemnity	341,000
Sun Indemnity	235,000
Texas Indemnity	34,000
Trinity Universal	186,000
United Pacific	89,000
United States Casualty	268,000
United States Fidelity & Guar.	984,000
United States Guarantee	780,000
Virginia Surety	28,000
Western Casualty & Surety	106,000
Western Surety	70,000
Yorkshire Indemnity	154,000

Foreign Companies

Accident & Casualty	\$ 250,000
Employers Liability	1,161,000
European General Reinsurance	400,000
Guarantee of North America	168,000
London Guarantee & Accident	484,000
Ocean Accident	530,000

with a bang in good style it reflects great credit on the sponsor. If not, the sponsor is criticised and undoubtedly its embarrassment is keen.

The entertainment aside from the get together dinner will probably hereafter have to be done in a sort of sectional or regional way and not be open to all comers. In fact one of the big problems now is to find a city that can handle the get together dinner. The housing of the convention constitutes a real problem. Where delegates are compelled to be away eight or 10 squares from the convention hotel, it is inconvenient and engenders resentment.

W. S. Walker Advanced

W. E. Walker, in charge of claims for the Fireman's Fund Indemnity in the eastern department, New York, since 1933, has been elected assistant secretary. He entered insurance work in 1911 as an office boy in the claims department of a large casualty company. He served in the navy during the war and on his return resumed his claims work until 1925 when he opened his own agency. In 1933 he joined the Fireman's Fund in New York.

Stanson-Heslop Insurance Agency, Akron, O., has been incorporated by R. W. Heslop, Eva M. Grupe and S. D. Stanson.

Urges Forward Steps in Automobile Form to Meet Demands

(CONTINUED FROM PAGE 27)

accidents, strongly recommended a few weeks ago by Mr. Sawyer, is now being considered by the stock and mutual associations, he stated. Since it is improbable that a large proportion of the public would voluntarily purchase this coverage, compulsory insurance for medical expense would probably not work a serious hardship on any automobile owner and may be the answer to complete compulsory insurance and state compensation schemes.

Reviews Developments

Reviewing developments in automobile insurance during the past year, Mr. Sawyer pointed out that the first revision of the standard automobile liability policy is now in process and that the \$1,000 single limit policy is a step along the course he had previously advocated of abolishing separate bodily injury and property damage liability limits and using a single limit of liability per accident. The safe driver reward plan, although criticized by many, is a step toward a system of rewards and penalties as part of the rate structure. Mr. Sawyer favored the plan now being prepared in New York of giving an assured with a clear record for two years a preferred rate on renewal, with two grades of penalty for those without perfect records. Rating would be prospective, rather than retrospective.

Policy Should Cover Full Use

An important and necessary step in the simplification of automobile insurance, maintained Mr. Sawyer, is the abandonment of the idea that business can be underwritten by provisions in the policy contract. He declared that the policy should cover all use of the automobile and the underwriter should select desirable risks and charge the proper premium for the use of the automobile contemplated by the driver. Financial responsibility laws requiring payment of damages regardless of violation of policy conditions have cost the companies little, he maintained. Furthermore, no person outside of the insurance business can understand why a company should pay judgment to a person riding as a guest and not to one who has paid 10 cents for his ride.

Simplify Liability Classifications

A revolutionary rearrangement of the public liability manual is being considered by the proper committees, Mr. Sawyer reported. All miscellaneous liability coverages will be divided into five divisions, premises and operations, elevators, vehicles, product and contractual, and one policy may be issued to cover all these classifications, the plan provides. Owners and contractors protective coverages would be included in the premises and operations coverage. This plan, which Mr. Sawyer favored highly, would logically lead to blanket liability insurance, with which a number of companies are now experimenting.

Turning to compensation, Mr. Sawyer reported that the trend to include occupational diseases in compensation laws is inescapable. It is a difficult problem and, in his opinion, companies will not be free from the danger of serious losses from respiratory conditions until present employees who have worked under dangerous conditions have been replaced by a new generation trained under modern methods. Mr. Sawyer also maintained that if employers and the companies do not provide voluntary compensation benefits for employees and executive officers who are not entitled to benefits under the compensation act of a particular state, the act will surely be amended to include all employees. Since the rates for workmen's compensation and employers' liability insurance are

the same, it is impossible to justify to the public any system whereby benefits are paid to one employee but another injured employee is compelled to sue.

Cooperatives Ask Opportunity to Present Data

(CONTINUED FROM PAGE 29)

understand. Business men need only consider the difficulties experienced by the railroads in getting adequate freight rates from the interstate commerce commission or of the casualty companies in getting permission from various states to charge adequate workmen's compensation premiums to realize what havoc price fixing can wreak with the ordinary processes of business. On the other hand the life insurance field furnishes the best example of consumer-owned organizations operating in direct competition with stock carriers, and neither type of company seeming to suffer by reason of the other's presence.

Seek Compulsory Plan for Lower Income Brackets

NEW YORK—Compulsory health insurance for persons in the lower income brackets was the subject of a resolution adopted at the fall conference of the New York Women's Trade Union League. The resolution urged that the next session of the New York legislature adopt a health insurance bill including medical, dental, hospital and maternity care.

Dr. W. T. Foster, director Pollak Foundation for Economic Research and president Consumers' Foundation, Inc. said that 15 percent of medical care is administered by governmental agencies. He contended that voluntary health insurance, compulsory health insurance and finally tax-supported state medicine are logical developments.

Assemblyman R. F. Wagner, Jr., secretary of the state committee to formulate a health program, said that medical care for low wage groups is one of the greatest problems of the day.

Old Officials on Trial

Trial of the 13 former officials of the old Pacific Mutual Life opened this week at Phoenix, Ariz., after Federal Judge Ling had denied a motion of Roy S. Hoagland for a separate trial. They are indicted on charges of using the mails to defraud and conspiracy to use the mails to defraud. The court drew a panel of 125 prospective jurors from which the jury will be chosen. It is expected the case will take two months for trial, as more than 200 witnesses have been subpoenaed to testify.

The case in no way affects the present Pacific Mutual Life, which took over the affairs of the old company after approval of a rehabilitation agreement by the Los Angeles superior court, and which is now operated by a board of trustees named by the insurance commissioner, who, under the agreement, holds all the stock of the new company.

California's Approval

The California department has given final approval to the retrospective rating plan of the National Bureau of Casualty & Surety Underwriters for workmen's compensation.

Refuse Oklahoma Increase

OKLAHOMA CITY — The Oklahoma insurance board has refused to grant the 6 percent increase on public liability and property damage rates on long haul trucks. The application was filed through the Oklahoma Automobile Service Bureau. The increase was protested by the Associated Motor Car-

riers of Oklahoma, which had asked for a decrease in rates which was also denied by the board. Rates were lowered 10 percent last May.

Ordered Off Calendar

Ordered off from the calendar in municipal court in Los Angeles is the suit brought by the California State Bar Association against R. H. Jenkins, H. F. Harris and Trinity Universal. The defendants were charged with unauthorized practice of law in connection with their efforts to collect under subrogation after having paid collision claims to their assured. Mr. Jenkins is

general agent for Trinity Universal and Mr. Harris looks after some of the claim work. It is understood that the governing committee of the state bar association will take action looking toward dismissal of the case.

B. E. Kuechle, chief claims manager Employers Mutuals Liability, Wausau, Wis., spoke on "Health and Safety of Wage Earners in Relation to the Family," at a meeting of Milwaukee public health nurses.

Miss D. J. Bingham, for 45 years a local agent at Kinsley, Kan., died there.

L. L. Dennison agency, Central City, Ia., has taken over the business of the late T. R. Kearns.

"Tailor-Made"
Public Liability Policies
Coverage for
Rare and Unusual Events

Great Lakes Casualty Company
Detroit, Michigan

**We Have Prepared
A Pamphlet
On the Use and Application of
DIRECT EXCESS COVERS
(Casualty)**

A copy will be sent on request.

**THE
EXCESS
INSURANCE COMPANY
of
AMERICA**

Robert N. Rose, President

99 John Street

New York, N. Y.

More Than 600 Attend Hartford Accident Rally

(CONTINUED FROM PAGE 27)

face if a catastrophe should overtake him. The validity of that theory, he said, is supported by the New England hurricane. There had not been a hurricane in New England for 150 years, but the situation of the victims is appalling.

Mr. Bissell said that in sending out dividend checks to the 11,000 Hartford Fire stockholders, he enclosed a notice saying that property owners must look out for the unexpected things. It is not the imminence of danger, but what will happen to the individual if the unexpected happens that counts. Many sales are missed, Mr. Bissell asserted, because agents fail to impress upon people that the greatest catastrophes in life are totally unexpected.

Commends Active Toil

"The successful life," Mr. Bissell asserted, "is a life of active toil and effort. Each of our problems usually presents novel features, but its successful solution is arrived at by the exercise of qualities as old as time. Within each man there is a willingness or an unwillingness to pay the price and win the reward. Experience is derived from active work and responsibility and creates within us the knowledge of how to face new situations. Then in time the reward follows. These things constitute the successful life. Can anything be more soul-satisfying than success earned by work? Can any knowledge be more valuable than knowledge derived from hard experience?"

"Hard work and high intelligence are still the basis of a prosperous country and of a successful business. Laws which kill individual enterprise will kill eventually all enterprise. You men have demonstrated that individual effort and ambition are productive attributes. Our country has long been a wonderful place in which to live and has offered unexampled opportunities. It has afforded a more hopeful outlook for a successful life than any other country, because the founders bequeathed to us freedom to labor and succeed."

Commissioner Blackall of Connecticut was introduced. He said that in Connecticut the theory is that the state supervises but does not administer the insurance business. Certain things are forbidden by law, but for the rest the

good judgment of the individual is relied upon. The tradition in that state, he said, is derived from the old common law. The department does not seek to regulate the business in minute particular. It doesn't try to recast the entire picture every time something new comes up.

Refers to Hurricane

Mr. Blackall also referred to the hurricane. It arrested the attention of the business man he said, to the fact that hazards really do exist that agents have been talking about for a long time.

In the course of his remarks, Mr. Blackall said that the insurance companies let hospitalization insurance "get away from them."

Thereupon the production forum got under way and continued Tuesday and Wednesday morning.

Frank Coffin, Moore, Case, Lyman & Hubbard, Chicago, was in charge of the first subject "Better Selling." When a new man inquires about insurance selling as a business, Mr. Coffin said he advises that an agent must work, he must seek to grasp the idea of the buyer, he must continually learn more about the business, and he must equip himself to sell complete protection.

H. A. Faunce of Atlantic City was called upon. He said he has been successful in getting across to the prospect that, because of the overhanging liability, purchase of casualty insurance should be made as judiciously as is investment in a long term bond.

Sphere of Influence

H. E. Munz, Paterson, N. J., said he constantly endeavors to extend his sphere of influence in his community. He never calls on a man unless he is reasonably sure of being received and unless he has something definite to offer.

Arthur Gallagher, Chicago, said one of his best source of prospects are the firms that sell supplies to his present customers.

F. B. Adae, Miami Beach, said, in selling automobile insurance he asks the prospect how he would like for \$35 a year to have the services of the best attorney in town, with the guarantee that if the attorney were not successful, damages up to \$10,000 would be paid on the assured's account.

Lyle McKown, Minneapolis, said he reads the manual 15 or 20 minutes every evening and thus derives selling ideas.

Obvious Requirements

Burdette Garrison, Jacksonville, Fla., said agents are too prone to assume that obvious insurance requirements have

been provided for. The producer must keep going around where the opportunities to make sales exist.

Bertram Hegeman, I. V. Dorland Co., New York, expressed appreciation for the national advertising campaign of the Hartford. He always carries with him a copy of a magazine that has a Hartford "ad."

Avoids Rate Arguments

L. B. Dean, Alexander City, La., said he never permits an argument to develop about rates.

W. W. Hargert, Ridgewood, N. J., presided over the next period devoted to "Insurance Surveys." One after another got up to enter testimony as to the efficacy of the survey principle. Mr. Hargert said the agent should do the survey work himself instead of passing it over to a company man. By tackling the job, the agent gets closer to the business, he declared. Mr. Hargert said he supplied the assured with a wallet, which has a good psychological effect. By use of the survey the client's insurance and premiums can be programmed.

Harold Mann, Tacoma, Wash., declared that the agent who employs a survey removes himself from the policy begging class. It gives the agent an insight into the entire setup of an assured and produces information as to expirations and terms and conditions of present policies and it gets the business.

Carries Own Survey

H. W. Brady, Saginaw, Mich., said the agent should see to it the survey is not put away and forgotten after it has been delivered. He carries his own survey with him and he buys every form of insurance that is available.

Glen Reed of Kent, O., said he has had much comfort since 1931 when he instituted the iron-clad rule of insisting upon collections within 45 days.

J. I. Hoch, Richmond, Ind., said use of the survey creates an atmosphere of professionalism about agency operations. Seventy-five percent of his sales are on a survey basis, he declared.

Rothermel Gives Ideas

S. A. Rothermel, Moore, Case, Lyman & Hubbard, Chicago, warned against "showing up" the other agent in making surveys. The constructive side should be emphasized. Every agent will be careless some time. An agent will make a better impression by confessing his own mistakes than by shooting holes in his competitor. Moore, Case, he said, has completed 150 personal surveys since May 1 and has a 95 percent record of closing.

On Tuesday, a period was devoted to the question "What Is Production?" presided over by Joy Lichtenstein, Pacific Coast manager. Then the convention divided into departments, graded according to size of production. Peter Yegen, Billings, Mont., was in charge of one group; D. H. Putnam, Ashland, Ky., another, and C. S. Lawton, St. Louis, the big timers.

G. H. Moloney Presides

G. H. Moloney of Chicago, vice-president, presided over the Wednesday morning session. H. A. Faunce was in charge of the period devoted to "Education"; A. H. Bevan, Houston, "Making the Most of Service Departments," and W. D. O'Gorman, Newark, "Selling Hartford Golden Opportunity Lines."

Each afternoon most of the conventioners participated in the golf tournament. Tuesday evening came the banquet. Monday evening a great treat was provided in the showing of movies of 25 and more years ago.

The special guests included Martin Lewis, president Towner Rating Bureau; Reed Chambers of the U. S. Aviation Insurance group.

The head office of Hartford Accident was represented by R. M. Bissell, chairman; President Paul Rutherford, Vice-presidents Wallace Stevens and W. C. Jansen, Secretaries E. G. Armstrong;

Jottings from Hartford Accident Convention

Eugene Battles of Los Angeles and Mrs. Battles, after attending the St. Paul convention of the National Association of Insurance Agents, went to White Sulphur Springs, W. Va., to attend the convention of Hartford Accident. They will return to the coast by way of New Orleans.

* * *

H. A. Kearney, New York manager of Hartford Accident, headed the reception committee at the White Sulphur convention. He routed his fellow receptionists from bed at 5 a. m. Monday to meet the early morning trains.

* * *

C. A. Abrahamson of Omaha, an ex-president of the National Association of Casualty & Surety Agents, has been at White Sulphur three weeks. He was there two weeks ago for the joint meeting of his association and the International Association of Casualty & Surety Underwriters, and remained over for the Hartford Accident convention.

* * *

C. R. Laurensen of Canton, O., motored to White Sulphur with Mr. Mertes of the Laurensen agency. Mr. Laurensen's son, Paul, was head of the junior organization of the Ohio Association of Insurance Agents. He is now in the automobile department at the head office of Hartford Accident.

* * *

W. D. O'Gorman of Newark was displaying photographs of the ruins of his summer place at Westhampton, L. I. He was one of the few storm victims that had windstorm insurance.

Michigan Mutual Meet

FORT WAYNE, IND. — About 50 Indiana representatives of the Michigan Mutual Liability attended a sales meeting and banquet here at which the motion picture, "America Speaks," was exhibited. R. I. Elmers, Detroit, sales manager, was the principal speaker.

M. W. Heard, Assistant Secretaries A. W. Spaulding, F. R. Aiken, J. L. Barter, G. B. Butterfield, R. A. Ferson, F. P. Handley, F. C. McVicar.

The fire company was represented, in addition to President Bissell, by C. S. Kremer, vice-president; C. H. Smith and Clem E. Wheeler, western managers; W. R. Prescott, head of the southeastern department in Atlanta; Manley Stockton, assistant general agent in Atlanta; Joy Lichtenstein, Pacific Coast manager.

Two directors were present, they being Porter Chase, and Spencer Goodwin, both financiers of Hartford.

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POINTERS FOR LOCAL AGENTS

Right and Wrong Selling Technique Demonstrated

One of the features of the insurance merchandising session at the St. Paul convention of the National Association of Insurance Agents was the skit entitled "Rejuvenate Your Sales Talks," put on by members of the Fred L. Gray Co. agency of Minneapolis. Wheaton A. Williams, vice-president of the agency, delivered an introductory talk on what is needed in a successful sales presentation. Following Mr. Williams' talk, a wrong and a right sales interview were demonstrated by George P. Stephenson as the prospect, and Earl Loose as the agent.

On the assumption that the majority of agents do not engage in cold canvass to any great extent, but call upon people whom they know, the skit omitted all reference to the technique of obtaining an interview. Mr. Stephenson emphasized the need of visualizing what insurance will do for a prospect, keeping the prospect's mind on the subject, use of pencil and paper, test closing, quoting inclusive premiums, with time payments, and closing on approval.

Agents Demonstrate How Not to Make a Sale

The dialogue of "The Wrong Way," was as follows:

Mr. Loose: I just happened to be in the building so I thought I'd drop in to see how you are getting along.

Mr. Stephenson: All right, I guess.

Mr. L.: Business hasn't been very good lately, has it? Has this depression or recession or whatever you call it hurt you folks much?

Mr. S.: Well, we're keeping in the black.

Mr. L.: Gosh, I wish I was. Say, how are you fixed for accident insurance?

Mr. S.: O. K. I've got some.

Mr. L.: That's too bad. I wanted to sell you a policy. Our company is having a contest and I want to win a trip to Alaska.

Mr. S.: Well, I can't help you visit the Eskimos.

Mr. L.: I suppose not but I just thought I'd tell you about it. By the way, what company carries your accident insurance?

Carried Newspaper Accident Policy

Mr. S.: Honestly, I don't know. I got it when I renewed my subscription to the "Tribune."

Mr. L.: That policy isn't any good.

Mr. S.: What's the matter with it?

Mr. L.: Oh, it doesn't pay for lots of accidents and you always have trouble getting a claim paid.

Mr. S.: As near as I can figure out you always have trouble collecting from an insurance company.

Mr. L.: Not from my company. It pays promptly and for all accidents. The policy costs only \$30 a year.

Mr. S.: That's too much money. I'm paying only \$5.

Mr. L.: Well, if you'd like something cheaper perhaps I could figure out a lower premium.

Mr. S.: No. I'm not interested today.

Mr. L.: That's just's what Charlie Thompson said when I sold him his policy but the other day I handed him a check for \$850, pretty nice, huh?

Mr. S.: Well, good for him. I'm

glad someone can collect from an insurance company.

Mr. L.: Please don't say that. Good companies pay their claims. Come on now—be a good fellow.

(Pulls application out of pocket. Hands it unfolded to Mr. S.) Just fill this out and help me make my quota.

Mr. S.: Now put that blank back in your pocket. I told you I wasn't interested.

Mr. L.: Well there's no harm in trying. Say how about a little golf this afternoon.

Mr. S.: Sorry, I've got a game all fixed up.

Mr. L.: That's too bad. I'll be seeing you later. S'long.

Mr. S.: Good-bye.

* * *

In the demonstration of "The Right Way," the agent attacked the prospect as follows:

Mr. L.: Good morning, Mr. Stephenson. I came over here for the sole purpose of telling you about our new accident insurance policy.

Mr. S.: Earl, I've got so much insurance, most of what I earn goes to pay premiums.

Mr. L.: I'll take just ten minutes of your time. (Lays watch face up on the table.) Then if you're not interested, I'll leave you. You'll spare me ten minutes?

Mr. S.: Oh, all right, go ahead.

Mr. L.: We have a new form of contract which pays all surgical, medical and hospital expense. There are no "ifs" or "buts" about it. All you have to do is give us your bills and we'll pay them. There'd be a lot of comfort in knowing you'd never have to worry about such expenses, wouldn't there?

Mr. S.: That is why I carry a policy.

Mr. L.: Do you remember when you bought it?

Mr. S.: Well, I happen to because it was when I got my first job after I left school in 1925.

Mr. L.: That is 13 years ago. There have been changes in the accident insurance business since then. You know you are making a lot more money now. Our modern 1938 policy will pay you \$50 per week when you are injured in any ordinary accident. And it will pay you twice as much, or \$100 per week, when you are injured in any automobile accident or while riding on a public conveyance. Payment is made from the first day of disability and for just as long as you are totally disabled.

Mr. S.: Do you mean if I couldn't work for ten years it would pay me all that time?

Mr. L.: Definitely, and all your surgical, medical and hospital expenses up to \$1,000, in addition to the weekly payments.

Mr. S.: You make it sound good but there's generally a catch when you have a claim.

Satisfied Claimants Good Advertisers

Mr. L.: I can refer you to a lot of satisfied claimants. (Removes list from pocket and hands it to prospect.) Just recently Jim Murray received from our agency a check for over \$1,000. You remember, George, when he broke his leg while fixing his radio aerial? Frank Watson's daughter slammed a car door and broke two of his fingers. He collected \$300. You see these policies pro-

vide the money to take care of unexpected expenses.

(Interview interrupted by telephone.) Mr. L.: How long do you think you'd be away from work if you broke your leg, George?

Mr. S.: (Pauses to get his mind back on subject.) This is just a guess—perhaps six weeks.

Mr. L.: Of course, it's just a guess. The length of time varies with different people. But supposing you were hit by a careless driver and your leg was broken. Suppose further you were laid up the average time of twelve weeks. Your hospital bill would probably be plenty. The doctor would charge you about \$100. We'd pay the doctor and the hospital and pay you \$1,200 besides. Liberal, isn't it?

Mr. S.: I guess so.

Hands Out List of Some Policyholders

Mr. L.: To show what other men think of this contract, here's a list of names of some of our policyholders. (Hands list to prospect and pauses.) It is easy to get your name on this list. (Hands unfolded application to prospect.) Just give us your age and weight on this blank and answer these other questions, and you'll have protection immediately. Even a medical examination is not required.

Mr. S.: Oh, the policy I have will take care of me all right. This paying all your money to insurance companies is not so—

Mr. L.: Sure, the policy you have will help you and you were smart to take it out. Let's see that was in 1925?

Mr. S.: Yes.

Mr. L.: When you bought that contract insurance companies didn't issue policies that would pay all your doctor and hospital bills, and besides your legs and arms are worth more to you than in 1925. Your protection hasn't kept pace with your income. If you'd put an addition on your home I know you'd buy more fire insurance. You have put an addition on your income. Therefore you should buy more protection.

Mr. S.: I don't think I need any more insurance. I'm very careful.

Mr. L.: Careful people are constantly being injured by careless drivers. You can find a lot of patients in any hospital who will tell you that. The careful men are always the ones who worry about expenses while in a hospital. Those big, unexpected expenses. Why not transfer such worries to an insurance company?

Mr. S.: I can't afford it right now.

Mr. L.: Is that your only reason for not buying?

Mr. S.: Yes, it is and it's a good reason too.

Mr. L.: It is a good reason but when you can't spare money to pay premiums it is also difficult to spare money to pay doctors. After all, this is a low priced policy.

Mr. S.: What do you call low priced?

Mr. L.: \$14 every three months. Reasonable, isn't it?

Mr. S.: Yes, that's reasonable but—

Mr. L.: A minute ago you said the "only" reason you had for not buying was you couldn't afford it. Now you have agreed \$14 every three months is reasonable. To show you how confident we are that you'll like this contract, I'll tell you what we'll do. You answer these questions and we will send you a policy to examine. You'll then have protection while you are making your decision. If at the end of ten days you decide you can pay all your hospital and doctor bills no matter what they might be or when they come due—without help from an insurance com-

SALES IDEAS OF THE WEEK

Time for Fur Insurance Is Now at Hand

Fur insurance is more or less a seasonal line and agents, therefore, need to make a drive for it at the time when people are thinking about it. In the fall of the year furs are taken out of storage or new ones are being bought. While they have been in storage an owner may feel that the storage house is responsible and, therefore, may not have taken out insurance. There are thousands of prospects for fur insurance. It is stated there are 11,000,000 wage earners in the country. Many of these are prospects. Many women in the home are very excellent prospects and some of them have high priced furs. This is a line that can be solicited by mail as a starter.

Automobile Insurance Book

THE NATIONAL UNDERWRITER sells a book that is regarded as authoritative, "What to Know About Automobile Insurance," by F. W. Doremus. It costs \$1.50. It gives a broad survey of present day automobile insurance analyzing physical and moral hazards involved in underwriting and loss adjusting. It points out the best practice for the producing agent to follow.

pany, send back the policy and your 10 days protection will be free. That's a fair offer. You'd be willing to have us prepare a policy on that basis, wouldn't you?

Mr. S.: What did you say it would cost?

Mr. L.: Only \$14 every three months. There would be great satisfaction in being able to say, "If I'm disabled from any injury I don't have to worry about doctor's bills and loss of income. You put your name at the bottom of this blank and you'll be able to say that. Then you'll have your income protected today."

Mr. S.: O. K. Go ahead and fix it up.

Shows What to Do When Interrupted

In his introductory remarks Mr. Williams made the following points:

This is a day of speed. Everyone is in a hurry. We must get our messages across quickly and with a wallop.

Outmoded is the interview which opens with, "How are you fixed for insurance?" or "Let me write the insurance on your car."

Instead you should interest the prospect from the very first sentence. When you arrive he has been thinking about his business. It is your job to make him think about your business.

If what you happen to say reminds your prospect of something foreign to your topic and he starts off on a tangent, politely but firmly get him back on your subject. This is your interview. You must control it. Remember your mission. You're trying to sell insurance—not settle international problems.

Should your prospect be interrupted by a telephone call or by a caller, resume your canvass when he returns by asking a question. He has to forget the telephone call and turn his mind to insurance before he can answer your question.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Wisconsin Mutuals' Program Announced for Annual Rally

The program is announced for the annual meeting of the Wisconsin State Association of Mutual Insurance Companies to be held at the Schroeder hotel, Milwaukee, Oct. 27-28. Theo R. Schmidt of Kewaskum is secretary and A. C. Fuge of West Bend, president. L. W. Schlieder of Sheboygan Falls is the vice-president.

Thursday, Oct. 27

1:45 p. m.—Opening convention session. President's address, Aug. C. Fuge, secretary West Bend Mutual Fire, West Bend, Wis.

"Mutual Insurance an American Institution," J. J. Fitzgerald, president Grain Dealers National Mutual Fire, Indianapolis.

"An Adequate Philosophy of Life," Rev. E. S. Hjortland, Ascension Lutheran Church, Milwaukee.

"Cooperation," Ambrose B. Kelly, American Mutual Alliance, Chicago.

"What Goes On in the Prospect's Mind?" Ray Lloyd, vice-president Sheldon School, Chicago.

7 p. m.—Annual banquet and entertainment.

Friday, Oct. 28

"Recent Changes in the Rule Book," C. J. Timbers, Fire Insurance Rating Bureau, Milwaukee.

"Agency Advertising and Sales Promotion," Len T. Sharp, assistant secretary Mill Owners Mutual Fire, Des Moines.

"The Relationship of the Agency with the Company," R. N. Seward, Lake Mills, Wis.

"How Letters May Increase Business," L. E. Fralley, editor Dartnell Letter Service and instructor in the School of Commerce, Northwestern University.

12:15 p. m.—Agents' luncheon, ladies' luncheon and style show.

Afternoon

"Selling That Makes 'Em Buy," C. G. Crabb, sales promotion manager Wrought Washer Manufacturing Co., and instructor in salesmanship Marquette University, Milwaukee.

General meeting of the Wisconsin Federation of Mutual Insurance Agents.

Assessment Is Ascribed Wrongfully to Club

Kenneth J. Gross, Chicago attorney, calls attention to an error in a reported advertisement of the Muskegon local board. Last week a news story reporting the talk of Waldo Hildebrand, field secretary Michigan Association of Insurance Agents, at a meeting of the Detroit association, told of the activities

of the Muskegon men. It was stated the Muskegon agents conducted a co-operative advertising campaign to point out advantages of stock insurance and disadvantages of reciprocal coverage. An "ad" asked, "Can you spare \$15,765.55?" this being given as the amount of the assessments against each member of the defunct Illinois Auto Club.

Mr. Gross points out that this statement is untrue. There were judgments entered in Chicago against certain members of the subscribers to the Interinsurance Exchange of the Illinois Auto Club, which was a reciprocal form of casualty insurance company separate from the club. Judgment, however, was not entered against each member of the Illinois Auto Club. As a matter of fact, there were a number of members of the old Illinois Auto Club who did not even place their insurance on their automobile with the Interinsurance Exchange of the Illinois Auto Club.

Evidently the reporter of the agents failed to distinguish between the old Illinois Auto Club and its insurance reciprocal. There were, of course, no such assessments even against the members of the reciprocal. There was a failure to distinguish between an assessment and a judgment. The judgment was on the liability of reciprocal policyholders as members of a voluntary association, and not on their assessment liability under their policies.

There is at the present time in existence an organization known as the Illinois Automobile Club and which is not the same organization as the defunct Illinois Auto Club. The present organization had no connection whatever with the defunct reciprocal.

Report on Tax Returns on Nebraska Fire Business

LINCOLN, NEB.—Nebraska fire insurance premiums reported by agents to local assessors for taxation, as compiled by Tax Commissioner Smith total \$5,215,229, of which \$4,814,164 was levied against foreign companies doing business in the state. In 1937 premiums totaled \$5,024,734 and in 1936 \$4,826,649. Counties reporting more than \$100,000 premiums (foreign business only) were: Douglas (Omaha), \$1,356,724; Lancaster, (Lincoln), \$513,125; Adams, (Hastings), \$155,635; Hall, (Grand Island), \$148,492; Dodge (Fremont), \$133,860; Scottsbluff, (Scottsbluff), \$127,720; Gage, (Beatrice), \$117,190; Jefferson, (Fairbury), \$101,940.

On request of Insurance Director Smrha each assessor was furnished with a record of all licensed agents and directed to supply each with a tax reporting form. This was done because of the wide difference in the total premium collections reported to the insurance department, and those reported for taxation. This difference continues to exist, as premium collections reported to the insurance department for 1937 were \$6,676,000 compared with \$5,215,000.

Indiana Delegation at St. Paul Convention

In view of the fact that Atwood L. Jenkins of Richmond, Ind., could not attend the St. Paul convention of the National Association of Insurance Agents on account of the critical illness of his wife, the Indiana delegation sent him a telegram signed by Ross E. Coffin of Indianapolis, president Indiana Association of Insurance Agents. Mr. Jenkins seldom has missed a convention. The Indiana group kept pretty well together at the general get-together sessions. In addition to Mr. Coffin, in attendance were Ray C. Fox, president

of the Indianapolis Board; Mr. and Mrs. W. C. Myers, Evansville; Mr. and Mrs. E. H. Forry, Indianapolis; Mrs. J. W. Kirkpatrick, Muncie; Mr. and Mrs. J. A. Searles, Marion; J. W. Stickney, Indianapolis, secretary Indiana association; Mr. and Mrs. Simpson Stoner, Greencastle; G. H. Butt, Richmond; Geo. E. Keller, South Bend; S. C. Sayers, Greencastle; R. A. Hendrickson, Indianapolis, counsel of Indiana association; D. E. Manning, French Lick, and O. M. Motherhead, Indianapolis.

Heavy B. D. Program Is Now Under Way in S. D.

SIoux FALLS—Business Development activities began in South Dakota this year with a meeting at Huron. This was preceded by the regular business meeting of the South Dakota Fire Underwriters Association the previous evening. Wallace Rodgers, assistant secretary Western Underwriters Association, was the main speaker.

Other speakers were A. J. Bell, Hartford Fire; J. V. Jennewine, F. A. Nelson, Norwich Union; Burt Burton, Home.

The next meeting was in Sioux Falls. It was preceded by a luncheon that was well attended. J. B. Allen, McKinney & Allen, Sioux Falls, was the agency chairman and Burt Burton was field chairman.

Meetings will be held at Rapid City Oct. 17, Yankton Oct. 19, Mitchell Oct. 20, Brookings, Oct. 21, Watertown, Oct. 24, Pierre, Oct. 26, Mobridge, Oct. 27, and a windup at Aberdeen on Oct. 28.

Knocks Out Big Missouri Fees

The Missouri supreme court has invalidated the fees amounting to \$412,500 that were awarded to three Kansas City lawyers in connection with their work for the state in the old Missouri 10 percent fire insurance rate reduction case. The lawyers are J. T. Barker, F. E. Jacobs and G. C. Weatherby. The supreme court held that the circuit court had no authority to make the award from the impounded premium fund and that the lawyers must look to the state legislature for any compensation.

The Missouri supreme court has assumed jurisdiction in an application for writ of prohibition asked by policyholders questioning the right of Circuit Judge Dinwiddie of Boone county to take action in the case filed by Superintendent Robertson, asking instructions on the procedure in distribution of impounded premiums in the Missouri rate case. The writ is returnable within 30 days.

C. F. Morgan Recovering

C. F. Morgan, president of the Square Deal Mutual, Des Moines, is recovering from a stroke at Hot Springs. He is expected to return to his duties at Des Moines in another three weeks. He has been in the hail insurance business for 40 years.

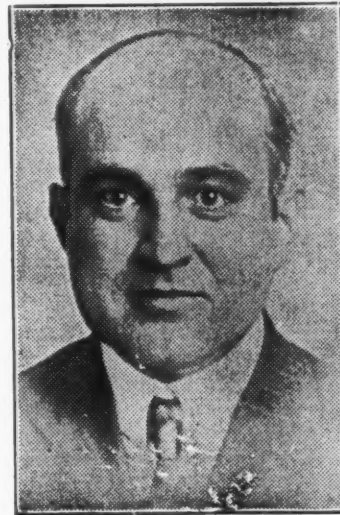
E. W. Still Resigns

E. W. Still, who has been secretary to J. W. Rodger, executive manager of the Insurance Board of St. Louis, has retired to take another position in Chicago. He is succeeded by Miss Mildred Schultz, formerly with the Lawton-Byrne-Bruner Insurance Agency.

Cleveland Courses Start

CLEVELAND—The Cleveland Insurance Society will start its educational courses Oct. 10, with meetings every Monday night until April. This year the Society will give part 2 of the fire course, part 3 of the casualty course and part 1 of the surety course of the Insurance Institute of America. The instructors will be John Parks, Royal Indemnity and Eagle Indemnity, casualty; V. M. DeMello, Ohio Inspection Bureau,

Will Be Host



DENNY P. LEMEN

D. P. Lemen, president of the Queen City Fire of Sioux Falls, S. D., will be host at a buffet luncheon for those attending the annual meeting of the South Dakota Fire & Casualty Agents at Mitchell, Oct. 11. Mr. Lemen takes this occasion every year to express his appreciation to the agents of his own state.

fire, and G. M. DeMarinis, Fidelity & Casualty, surety.

South Dakota Convention

E. B. Peterson of Pierre, S. D., president of the South Dakota state safety council, who was scheduled to give an address before the meeting of the South Dakota local agents at Mitchell Tuesday, had to decline the invitation owing to pressure of business. Miss Goldie Wells, a director of the council, will take his place. Al Johnson will represent the First Bancredit Corporation, speaking on "Modern Merchandising of Insurance." Insurance Commissioner Dunn will give official greetings and remarks will be made by Attorney-general Clair Roddewig. A. W. Weller of Mitchell, the president, will be in charge of the meeting. One of the main addresses will be by Manager Robe Bird of the western department of the American of Newark group.

Form New County Unit

ANTIGO, WIS.—The Langlade County Association of Insurance Agents has been organized with E. A. Morse, president, and A. J. Reinert of Crandell & Reinert, secretary-treasurer. About 15 agencies comprise the initial membership. The organization will function chiefly in the matter of public business, servicing and handling risks of governmental units in the county.

No Michigan Tax Refund

LANSING, MICH.—Despite the opinion of the attorney-general's office that Michigan insurance carriers are not subject to the general corporation privilege fee under a 1937 amendment to the corporations code, the state corporation and securities commission will make no refunds of taxes paid and plans no change in procedure. A change in the law reestablishing the levy, if it actually is no longer applicable, will be sought when the legislature meets in January. Nearly all of the state-domiciled stock

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W. VIRGINIA (Cont.)

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Kanawha Valley Building

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companies have paid the privilege fee for the current year.

Carl A. Olsen, corporation and securities commissioner, and his legal advisors take the view that the attorney-general's opinion is not a final adjudication and that ambiguities in the existing statutes warrant a continuance of the old procedure in requiring all stock companies to pay the fee. Another attorney-general's opinion has held that taxes, once collected and commingled with the general fund, may not be refunded.

Cedar Rapids Election

CEDAR RAPIDS, IA.—G. H. Cockburn, Sr., was elected president of the



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Cedar Rapids Association of Insurance Agents at its annual meeting. W. J. Sherrebeck is vice-president and F. W. Damour, secretary-treasurer.

Oil Loss Is \$200,000

Loss estimated at \$200,000 was caused by a fire and explosion in the refinery of Ohio Oil Company in Robinson, Ill. The line is carried by the Simmons group.

Fire Safety Broadcasts

Mrs. S. R. Heller, wife of the president of the United Trust Co. of Abilene, Kan., which operates a local agency there, is conducting a series of half-hour radio broadcasts over radio station KFBI, owned by the Farmers & Bankers Life and during Fire Prevention Week will devote her program to farm and home fire safety.

Crist & Co. Change

KANSAS CITY, MO.—C. F. Crist & Co. of Kansas City, which represented the Bituminous Casualty as general agent, has sold the agency plant and compensation business to the company. It has opened a branch office in the same quarters occupied by Crist & Co., 114 West 10th street. Crist & Co. have also disposed of the brokerage agency involving all lines other than Bituminous Casualty business and will operate in the future as a fire and allied general agency catering to agency business only. Crist & Co. will retain its present management with C. F. Crist, Sr., actively in charge. C. F. Crist, Jr., will spend six months out of the year in Canada, operating a fishing and hunting club at Lake of the Woods.

He will return each winter to the Missouri and Kansas field to be associated with the agency.

Bindweed Starts Fires

LINCOLN, NEB.—Investigation by State Fire Marshal Davis indicates that the principal cause of many barn fires is the presence of bindweed in hay harvested and stored. The bindweed menace has been so great that the last legislature appropriated money and set up an organization to destroy it. Mr. Davis says that it belongs to the flax family, which heats easily, and that it was found in the remains of a considerable number of barn fires.

New Carthage, Mo., Setup

The Maring agency at Carthage, Mo., which formerly consisted of the late Wilbur F. Maring, Sr., Luke J. Boggess, and his father, S. C. Boggess, has undergone a change. Luke Boggess has taken over five of the companies and his father will devote his time to the building and loan company which formerly was in the same quarters with the agency.

The partnership has been dissolved, and W. F. Maring, Jr., former executive secretary of the Insurance Agents Association of Kansas City, will establish a new office with 12 of the Maring agency companies. Twelve of the companies have been discontinued.

Mr. Maring is a candidate for state representative on the Republican ticket.

At a meeting of the Indianapolis Salvage Corps, H. M. Grider, manager Western Factory Association, was the principal speaker. It is the plan this year to have an outstanding authority on some subject as a speaker at each of the meetings.

IN THE SOUTHERN STATES

Exchange Breakfast to Be Feature of Tennessee Meeting

In connection with the annual meeting of the Tennessee Association of Insurance Agents at Memphis there has been arranged what is known as the "Exchange Breakfast" for the morning of Oct. 14, in charge of Mark Bradford, president Nashville Insurance Exchange. This is to allow officers of local boards to get together and discuss some of their problems. The program is as follows:

"How to be Virile at 80," Clinton W. Schley, president, Memphis; "Organizing and Taking Out a Charter," A. V. Patton, president, Jackson; "Exchange Value to Agents of the Smaller Towns," J. K. Clayton, president, Murfreesboro; "Enforcing the Single Agency Rule," W. C. Brown, president, Chattanooga; "Applying the 'In or Out Rule,'" Gum Harris, president, Johnson City; unassigned topics by, Russell Briscoe, president, Knoxville; W. H. Fumbanks, president, Dyersburg; R. H. Bible, president, Morristown; Alexander Anderson, president, Lebanon.

Topics for round table discussions during the meeting are suggested as follows: Public insurance, mutual competition, agency elimination, unfair prac-

tices, cut rates, unlicensed agents, solicitors, advertising, public relations meetings and programs, non-stock brokerage, non-intercourse rule, committee functions, recovery of line from mutuals and foreign brokers, enforcing fair trade practices, penalties and corrections, civic service, trade-at-home-campaign, membership problems.

Cotton Endorsement Is Rescinded by the S. E. U. A.

ATLANTA—The Southeastern Underwriters Association notifies its members that special cotton endorsement No. 7, which was adopted by the executive committee in August, has been rescinded. This is the endorsement ordered by the Texas board of insurance commissioners to be attached to policies covering cotton in warehouse for which insurance warehouse receipts have been issued providing that "no act or omission of the warehouseman or other bailee shall invalidate this policy insofar as the interests of the owner of such cotton or the holder of such insured warehouse receipts is concerned." It was adopted to protect the interest of the CCC in cotton on which it had made loans. Most of the fire companies have signed agreements with the CCC to make

this endorsement effective as to outstanding and future policies, and hence its rescission by the S.E.U.A. in its five states is not regarded as important.

Most of the cotton in warehouses is insured under reporting coverage which starts Aug. 1 and ends July 31.

Rate Deviation Is Upheld by Oklahoma High Court

OKLAHOMA CITY—A 1936 order of the state insurance board establishing a "uniform" rate for companies writing fire, tornado and plate glass insurance, as well as those writing liability policies, was set aside by the state supreme court in an appeal by the American Druggists Fire and the Utilities.

The court held that a company has a right to file its own rate schedule which it proposes to charge, although it may be a deviation from the manual rates approved by the board. Independent schedules are subject to the approval of the board as to their reasonableness, and when once a rate is established, the company can't deviate from it.

This throws the insurance business in Oklahoma wide open for free competition, said Commissioner Read, in commenting on the decision.

Withdraw Protection

LOUISVILLE, KY.—Mayor Scholtz has ordered the fire department not to answer calls outside the corporate limits after Nov. 1. A similar order barring fire protection to the Shively area was issued two months ago.

The Kentucky Actuarial Bureau hopes some adjustment can be worked out, otherwise several suburban territories that are enjoying semi protected rates, will have to be classified as unprotected and return to 10th class.

Women Hear Wingo

OKLAHOMA CITY—George Wingo of the National Surety addressed the Insurance Women's Club of Oklahoma City on "Fidelity Bonds" at the second meeting of the season. Rosa Amend and Mary Ellen Thurston were hostesses.

Report on Little Rock

LITTLE ROCK, ARK.—Rates here may be reduced if recommendations made by National Board engineers are carried out. Little Rock is now in Class 5. Included in the recommendations are increased personnel for the fire department, more adequate alarm system and other minor changes. Chairman Gibb of the city council fire committee said he hopes to obtain the final report in sufficient time to place such improvements in the city budget for 1939.

Joins Virginia Bureau

C. E. Hibbard has been appointed engineer for the Virginia rating bureau, effective Oct. 15, to succeed W. F. Dance, Jr., resigned. He has been with the engineering department of the Southeastern Underwriters Association for eight years.

Tornado Rates Reduced

Supplemental clauses to fire insurance policies have been revised, effecting a reduction of about 10 percent in tornado premiums in Mississippi. The

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old form had a clause limiting tornado insurance to losses of over \$25, unless the insured paid an extra premium to include the under \$25 loss. This meant a charge of about 20 percent extra in premiums and the majority of small-value risks preferred to pay the extra premium, as most of the tornado and wind damage in Mississippi is light.

Other minor changes in insurance forms and rates are being studied, but no sweeping change is contemplated, Commissioner Williams reports.

Hendley & Thomas Honored

Hendley & Thomas, agents at Columbia, Tenn., were presented an engraved and framed testimonial in honor of their

representation of the Westchester Fire for 34 years, since the agency was founded in 1884 by the late H. L. Hendley. This presentation was made by H. F. Hines, joint manager of the southern department, and J. L. Caldwell, Tennessee state agent. In the files of Hendley & Thomas now is a Westchester policy 38 years old, written in longhand and signed by Secretary G. B. Crawford, who at that time was an official of the firm.

Mrs. W. B. Kenworthy was found dead in bed in her home at Orange City, Fla. For a number of years she was widely known in Oklahoma as Bertha Mae Henson, for her activity in fire prevention work while she was assistant to the state fire marshal.

C., acting manager of Federal Crop Insurance Corporation, who explained the wheat insurance program. Cecil Johnson, national secretary, advised that activities are still in the experimental stage and that an attempt is being made to gather pertinent data and experience for future activities. Farmers generally are showing an indifference to the plan. Field agents and radio broadcasts are being used to popularize the plan. Farmers say the government insures only the "tail end" of the crop.

Talks on Czecho-Slovakia

SEATTLE — Chester J. Chastek, Seattle general agent and consul of Czecho-Slovakia for Washington and Oregon, will address various organizations on "The Republic of Czecho-Slovakia, Her People, Progress and Problems."

Confer on Washington

SEATTLE — The Washington Advisory Committee held conferences here with the contact committees of the Special Agents Association and Insurance League of Washington.

Members of the committee include: R. H. Griffith, Glen Falls, chairman; Ray Decker, Royal-Liverpool, vice-

chairman; C. D. Lasher, Home of New York; A. H. Talmage, American of Newark; G. V. Lawry, Travelers Fire; E. T. Cairns, Fireman's Fund; A. W. Whalley and Evert Lamping, Seattle general agents.

Montana Hail Payments

HELENA, MONT.—P. J. Anderson, acting chairman of the Montana hail insurance board, advises that when final payments on 1938 adjustments are made this week, farmers will have received \$126,087.

Most of the private companies writing hail insurance in Montana report that their hail business has exceeded anything that they had written for many years.

Insurance Post Installs

SAN FRANCISCO — Installation ceremonies were held for recently elected officers of Insurance Post 404, American Legion. Those installed were: Eric A. Falconer, commander; Hugh Higginbottom and Willis Ullrich, vice-commanders; Henry Boos, finance officer; D. E. Eveleth, judge advocate; Ben Otten, chaplain; R. C. Alleman, adjutant; Wesley King, historian; Barney Hogan, sergeant-at-arms; and Norman

PACIFIC COAST AND MOUNTAIN

Colorado Agents May Get Chain Store Insurance

DENVER—Insurance on chain store units operating in Colorado may soon be placed with local agents in the state if the favorable response on this matter received last week by a committee of the Colorado Association of Insurance Agents is followed through by eastern offices of various chains.

Following a conference between Richard McBride, representative of the Colorado Chain Stores Association, and a committee of the Colorado Association of Insurance Agents, the Chain Store Association announced that it will make a thorough investigation of the matter and give a report within 10 days. While Mr. McBride made no definite promises his attitude was considered favorable.

If the chain store group approves the purchase of insurance locally, it will then be necessary to negotiate definite arrangements with the various chains operating in the state.

The committee of the Colorado Association of Insurance Agents, composed of Clarence Daly, Hal Van Gilder and Herbert Fairall, estimates that 95 percent of the insurance contracted for Colorado units of chain stores is placed through New York and Chicago brokers. They point out that this procedure deprives operators of the stores of the advantages of local service; also that the premiums involved on this business amount to a tremendous total.

Confer on Licensing

DENVER—The Denver Association of Insurance Agents legislative committee met this week for a conference with Frederic Williams, secretary of the Rocky Mountain Fire Underwriters, on agent's licensing as outlined to the association by Commissioner Cochrane. Del Van Gilder, president of the group, Hal Van Gilder, Frank England, Jr.,

and Herbert Fairall comprise the committee. The Denver association has been assured an opening wedge to better licensing conditions in the letter mailed by Mr. Cochrane to 208 companies in the state, placing responsibility directly on them, and will continue to move against gross issuance of licenses.

Amalgamated Sugar Case

DENVER—The case of the Amalgamated Sugar Co. vs. Harmonia Fire, which has been pending for the last seven years, has been settled on a nuisance basis for an amount about equal to that involved in expenses for bringing witnesses from the east.

Colorado Directors' Meet

DENVER—The directors of the Colorado Association of Insurance Agents will meet in Pueblo or Denver the first Monday in November to outline the association activity program for 1939. Bay W. Crockett, newly elected president, will be in charge.

Karr Seattle Speaker

SEATTLE — Payne Karr of the law firm of Karr & Gregory spoke on "Insurance and Its Relationship to the Law" before the Insurance Society of Washington. He is president of the Seattle junior chamber of commerce.

Girls to Hear Eppich

DENVER—The opening dinner of the newly formed Insurance Girls Association was attended by 120. Carl Eppich, Eppich Agency, will address the club on "The Fire Insurance Policy" at its first regular meeting. An open forum will be held at each session.

Confer on U. S. Crop Cover

SPOKANE, WASH. — Federal crop insurance officers met here to discuss the government insurance program with Leroy K. Smith, Washington, D.

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H. Elkington, service officer. Members of the executive committee are: E. F. Zimmerman, immediate past commander; C. G. Landresse, B. E. Chapin and E. C. Arndt.

Utah Local Agents' Meeting

The annual meeting of the Utah Fire & Casualty Insurance Agents Association

will be held at the Ben Lomond Hotel, Ogden, Oct. 21. F. S. Young of Ogden is president.

W. P. Porep of Seattle, after an extended summer vacation will leave for California for the winter months. He is one of the oldest field men in the northwest and recently was voted an honorary life membership in Seattle Blue Goose.

EASTERN STATES ACTIVITIES

Holmes Announces N. J. Committees

NEWARK — H. Donald Holmes, newly elected president of the New Jersey Association of Underwriters, has announced his committee appointments. The chairmen are: Qualification, Douglas S. Schenck; legislative, Harry L. Godshall; grievance, Arthur D. Reeve; membership, Donald M. Pearsall; local boards, Herbert A. Faunce, south New Jersey; Charles E. Meek, Jr., north New Jersey; W. J. Waldron, central New Jersey; compensation and safety, Walter A. Schaefer; publicity, W. F. O'Brien; rural agents, Arthur T. Riedel; Business Development Office, Edward M. Schmultz; educational, Charles E. Meek, Jr.; automobile, Alan V. Livingston; administration fund trustees, Col. Frederick Hickman, William G. Hurtzig and C. Stanley Stults.

Maine Agents' Meeting

PORTLAND, ME.—The Maine Association of Insurance Agents is to hold

its annual convention at the Elmwood Hotel, Waterville, Oct. 19. The program provides for a report from the officers, election of officers for the new year, an informal address by Commissioner C. W. Lovejoy, and an address by Oscar Beling of the Royal-Liverpool group, on "Office Systems and Sales." Speakers at the banquet will include Governor L. C. Barrows, Commissioner Lovejoy and C. W. Perkins, who will discuss "Adjustment of Fire Losses."

Change in Camden Agency

Following the death of C. W. Auster-muhl of the Smith-Austermuhl Company, local agents in Camden, N. J., David Baird, Jr., succeeds to the chief office. He is one of the founders of the agency and has been chairman of the board. G. R. Pelouze, a director, was elected vice-president. W. S. McClellan, vice-president, and James Casby were elected directors. Mr. Baird has been prominent in New Jersey politics. He will now devote his entire time to his private interests.

To Report on Conventions

PITTSBURGH—Reports on the conventions of the Pennsylvania Association of Insurance Agents at Galen Hall and the National Association of Insurance Agents in St. Paul, will be made by Ralph Alexander, manager of the Pittsburgh Association of Insurance Agents, at its meeting next Tuesday.

Hunt Is Pittsburgh Speaker

PITTSBURGH—At the first fall meeting of the Insurance Club of Pittsburgh Commissioner Hunt spoke on the insurance situation in Pennsylvania. C. A. Reid of Wallace M. Reid Co. and A. Farber of Appelton & Co., also spoke.

Talks to Credit Men

PITTSBURGH—A. Blumenthal of Benswanger, Hast & Herzog will speak on fire prevention at the luncheon of the Credit Association of Western Pennsylvania next Tuesday, under the auspices of the insurance committee of the Credit Association.

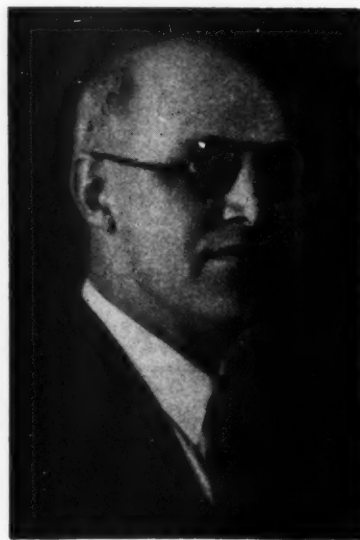
Much Storm Insurance

Local agents throughout the east and New England are busily engaged in writing windstorm insurance and using the supplemental or extended coverage contract to good advantage. There has been more tornado insurance written since the big hurricane than for many years. In almost all sections outside of the Atlantic coast points, windstorm losses were very infrequent. The recent catastrophic storm showed that no part of the country is immune.

Insurance Women's Meeting

The Insurance Women of New Jersey, which has completed its organization, will hold its next conference Oct. 20 at Loft's, Broad and Market streets, Newark. Mrs. Christine B. Nolan of North Bergen, former president of the Underwriters Association of Hudson County, is president; Mrs. Ada V. Doyle of Caldwell, vice-president; Miss Mary Gougherty of Morristown, secretary. Mrs. Nolan conducts her own business, as does Mrs. Doyle. Miss Gougherty

New President



H. DONALD HOLMES, Summit, N. J.

H. Donald Holmes of Summit, N. J., who heads the New Jersey Association of Underwriters, acted as chairman of its executive committee last year. He is a native of New Jersey, having been born at Newark, Feb. 20, 1887. His father bought a farm near Summit and in 1896 he established a real estate and insurance agency in the town. On March 1, 1908, the son became associated with the office. About three years later on the retirement of the father, Donald Holmes became sole proprietor, operating under the name of the Holmes Agency. He has served as president of the Summit Real Estate Board and was president of the Summit Association of Underwriters for two terms. He is very active in civic life in his community.

is with the M. E. Lowrie agency at Morristown. Florence Beckel of Jersey City, the treasurer, is associated with the R. C. E. May agency.

Boston Brokers' Slate

BOSTON—The Insurance Brokers Association of Massachusetts at the annual meeting Oct. 18 will vote on the following slate of officers selected by the nominating committee: President, H. E. Moore of Moore, Olive & Co., for a third term; vice-president, H. B. Broderic, Travelers; T. R. Sullivan, Kaler, Carney, Liffler & Co.; H. S. Bowen, Boston Insurance Co.; and H. L. Wood, Field & Cowles; secretary-treasurer, G. M. Neily, James Simpson Co.; executive committee, Thomas Ashley, Travelers; Paul Burrage, Collins Graham,

O'Brien, Russell & Co.; H. E. Frost, Kaler, Carney, Liffler & Co., and A. D. Cronin.

Require Loss Reports

MONTPELIER, VT.—Prompt reporting of fire loss adjustments, in compliance with the state law, will be insisted upon by Deputy Commissioner Pingree. A state law provides that companies shall report to the commissioner within ten days after the adjustment of a loss, the amount of all policies, the amount paid or payable and other incidental information. In the past, says the deputy, some companies have taken two or three months before sending in reports. Such delay will not be tolerated hereafter.

CANADIAN

Canada Broadens Supplemental Form

TORONTO—The Canadian Underwriters Association has made several important revisions in the supplemental contract for the Dominion, broadening the explosion cover and extending the riot section to include specifically damage done by sitdown strikers. The riot protection thus follows the extensions recently put into effect in American jurisdictions on both the extended coverage endorsement and the riot and civil commotion policy, while the explosion coverage remains broader than that in American territories.

There are still three forms of Canadian supplemental contract, the revised editions being numbered D. E. and F. Form D is the basic form, covering windstorm, hail, lightning (including waiver of the electrical exemption clause), explosion, riot, impact by aircraft or vehicles and smoke damage. Form E includes these coverages and also sprinkler leakage. Form F covers only sprinkler leakage.

Broad Explosion Cover

The only exclusions in the explosion section of the Canadian supplemental contract relate to explosion originating within devices or apparatus not owned, controlled, or operated by the assured. Thus, this form covers explosion of boilers, pressure vessels, machinery, etc., owned or operated by outsiders. The new form gives about the same explosion cover as the old, but it is more clearly defined. Explosion originating in devices or apparatus owned, controlled or operated by the assured is restricted to explosion caused by the ignition of explosives, dust, gas or other flammable substance. It includes explosion of cylinders of the replaceable service type, not owned by the assured and filled and refilled away from the premises and, in case of private dwelling

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D. P. LEMEN, President

SIoux FALLS

SOUTH DAKOTA

houses, explosion of hot water boilers and their expansion tanks and also explosion of water heaters and hot water storage tanks, if these latter are not heated by steam generated on the premises. Explosion originating in internal combustion engines and explosion due

to theft, burglary or robbery is specifically excluded.

The riot section includes "open assemblies of strikers, inside or outside the premises, who have quitted work, and of locked out employees." This includes sit-down strikes. It excludes loss or damage occasioned by "felonious acts where the objective is theft, burglary or robbery and 'riot' is only incidental thereto," loss or damage caused by acts of employees who are working or apparently working and loss due to cessation of work or interruption of process of business operations or by change in temperature.

The Canadian supplemental contract also contains a war risk exclusion similar to that incorporated in the extended coverage endorsement and riot and explosion policies in the United States. It excludes "any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, conspiracy, usurped power, or military, naval, or air force operations."

Plans for Ontario Meeting

TORONTO—Although the annual meeting of the Ontario Fire & Casualty Insurance Agents Association in the Royal York Hotel here does not get under way until Oct. 13, there will be a preliminary dinner Wednesday for presidents and secretaries of local associations.

The topic of G. D. Finlayson, Dominion superintendent of insurance, who will speak at the banquet, will be "Responsibility of Agents as Viewed by the Courts."

Harris Winnipeg Head

Thomas D. Harris was elected president of the Insurance Institute of Winnipeg at its annual meeting. C. M. Nicholls is honorary president; R. P. Simpson, vice-president; G. E. Budden, secretary; C. R. Francis, treasurer. Council members are J. J. Milne, D. B. Murray, H. P. Ham, R. E. Jackson, H. A. Roberts, T. G. Cox and N. Woodcock.

Opens Casualty Division

The Great American group has opened a casualty department for the provinces of Quebec and Ontario, with E. D. Christmas of Montreal, formerly with the Commercial Union in that city, as superintendent.

Data on Securities

OTTAWA—The Canadian department has requested all insurers to file as soon as possible a list of all securities purchased, held as collateral or otherwise acquired between Dec. 31, 1937, and Sept. 17, 1938. From this information, the department will compile complete particulars of all stocks, bonds and debentures that will appear in the new Canadian annual statement.

Quebec Blue Goose Plans

The Quebec Blue Goose will hold monthly luncheon meetings with a guest speaker during the winter season at the Montreal Club. Henry Parker, Montreal manager of the Sun, is most loyal gander.

Halifax Buys Building

TORONTO—The Halifax Fire has purchased the former head office of the Home Bank of Canada at King and Yonge streets, Toronto. The building, bought from the Norwich Union will be used as Ontario headquarters.

Home's Ontario Specials

John T. Coleman, formerly inspector of the North British & Mercantile, has been appointed Ontario special agent of the Home, which is now under the management of Norman G. Bethune. W. G. Partridge, previously with the stamping department of the Canadian

Underwriters Association, has also been appointed a special agent.

Jenkins Westmount Mayor

John Jenkins, general manager for Canada and Newfoundland of the Employers Liability and Merchants Marine, has become mayor of Westmount, residential suburb of Montreal.

MARINE

Easing in War Risk Rates This Week

NEW YORK—There has been quite an easement in war risk insurance rates following more favorable developments in the European situation. The companies feel now that conditions will be far more stable. London, for example, is now charging for voyages from Great Britain to Mediterranean ports $\frac{1}{4}$ percent as compared with 5 percent heretofore and for voyages through the Mediterranean $\frac{5}{8}$ percent as compared with 5 percent. London Lloyds has reduced its rates here materially.

SEEN FROM MONTREAL

MONTREAL—War risk insurance rates on ocean cargoes took a sharp drop following the announcement of the peace pact. Underwriters here quoted a rate of 25 cents per \$100 value of cargo on shipments from Canada and the United States to Great Britain. Earlier the rate had been \$2 per \$100. On west bound cargoes from the United Kingdom to North America the rate dropped sharply to 12½ cents. Shippers in this section welcomed the decrease in rates. At the height of the European war scare insurance on a full cargo of grain shipped to the United Kingdom, approximately 300,000 bushels, with a value of \$200,000, amounted to \$4,000.

Marine Meeting Postponed

NEW YORK—Because of conditions created in the marine field by the hurricane and floods of Sept. 21, the annual meeting of the American Institute of Marine Underwriters, which was to have been held Oct. 3, has been postponed to Nov. 7. The gatherings are largely of a routine character, being given over in the main to hearing reports and electing officers.

Cover St. Clair Bridge

PORT HURON, MICH.—Insurance totaling \$1,004,000 has been placed on the Blue Water International Bridge over the St. Clair river between Port Huron and Sarnia, Ont., by the Michigan Bridge Commission. The business was awarded to the Moore & Wright agency here, which tendered the lowest bid of 22 competing for the business, and is subject to approval by the consulting engineers on the job and the Union Guardian Trust Co. The insurance includes \$800,000 property damage and \$204,000 use and occupancy for a five-year term.

Linke in Missouri

Gordon Linke, superintendent of the inland marine department of the American of Newark, Rockford, Ill., spent last week in the Missouri field with State Agent O. D. Cox.

Shawnee Mutual Dissolved; Hartford Gets Business

Shawnee Mutual of Lima, O., it has been learned, has now been dissolved. Its business was reinsured in Hartford Fire. Shawnee Mutual was organized to write the auto fire, theft and collision lines on cars financed by the Colonial Finance Co. The management, however, discovered that this plan of self insurance had drawbacks.

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(CONTINUED FROM PAGE 3)

One of the largest stock company groups has put up a reserve of \$250,000, that representing its estimate of its loss in all directions from the hurricane.

Some of the eastern executives, who have not had much first hand experience with windstorm losses, have been consulting their western departments as to how the liability is determined under windstorm contracts and under the extended coverage endorsement when damage is caused by a combination of wind and water.

The first formal session of the Western Underwriters Association was held

Tuesday morning. It was the first meeting over which S. M. Buck, vice-president and western manager of Great American, had presided as chairman. The committee on order of business, which frequently holds tense, lengthy sessions, disposed of its chores in a few minutes Tuesday afternoon. A. F. Powrie, western manager Fire Association, was chairman. The final convention session was held Wednesday morning.

Balance Rule

The governing committee in its report referred to the fact that the idea of suspending the balance rule was abandoned when it was found that the field clubs were unanimously in favor of its continuance. Inherent in the successful operations of the balance rule must be a nice sense of balance among field men as between individual and group responsibility. When it was determined that

the balance rule should be continued, the governing committee got out instructions to the field as to procedure. Many practical lessons have been learned in the past few years and it is now possible to typify good and bad behavior and to put up warning signs and guide posts.

"We believe," the committee asserted, "the field club organizations have been quickened into a realization of the advantages flowing from associated effort with delinquent or insolvent agencies, and we look forward to an improvement in the balance situation, to which effort the governing committee has pledged its willingness and desire to extend every assistance to agency balance committees."

The governing committee touched upon the complaints that have been heard from Oklahoma City that field men have been writing business direct. While the extent of the irregularities has no doubt been exaggerated, the committee asserted that the competitive situation in Oklahoma City is acute. The W. U. A. general agency rules should be enforced, according to the committee, and steps have already been taken to bring about reform in those general agencies that represent member companies. The committee made the recommendation that the members strictly control the operations of state agency offices, despite the fact that there is no rule of the association on the point of state agency officers directly soliciting business through a state agency series of policies for resident licensed agents.

Not a Trifling Matter

"In the governing committee's report to the annual meeting attention was drawn to the subject of agency expense and/or contributions to agents, reference made to our general bulletin of Feb. 19, 1938, and mention was made that requests to companies for contributions were no longer confined to appeals for support of firemen's festivals, county fairs and other familiar quasi-municipal or civic activities and that a new experience in this realm of solicitation by local enterprise had made its appearance in the form of an agent's request to contribute to the expense of a float for a peony parade," the committee stated.

"It may occur to some of our members that the association is making a mountain of a mole hill in disciplining members in cases where the field man made the contribution and other members refused.

"But there is ample justification for the determination of the governing committee to impose penalties when violation of the rule is established, whether the violation is by direct action of the member or indirectly by his field representative."

Attended Hartford Accident Jubilee

Several executives of Hartford Fire, attending the W. U. A., meeting drove to White Sulphur Springs, W. Va., about 50 miles away, for the opening session Monday of the great twenty-fifth anniversary jubilee of Hartford Accident. That group included F. C. White, and C. S. Kremer, vice-presidents; and C. H. Smith, and Clem E. Wheeler, western managers.

Among those who motored to Hot Springs were J. M. Thomas, president National Union Fire, and Mrs. Thomas; R. R. Lippincott, assistant manager Western Adjustment, and Mrs. Lippincott, and Harry Grider, manager Western Factory, and Mrs. Grider.

The headquarters staff at Hot Springs, in addition to Manager Thomas, comprised Assistant Secretaries H. W. Chesley, E. H. Born and Wallace Rodgers, and Miss Mabel Laycock, secretary to Mr. Thomas.

Memorials Were Read

At the Tuesday morning session President Buck gave his address. A. F. Powrie, Fire Association, read a memorial in behalf of the late Montgomery Clark, president of Hanover, and C. E. Wheeler, Hartford Fire, on Harvey A. Bush who was assistant western man-

ager Fireman's Fund. J. C. Harding reported for the governing committee. Then the convention went into session to hear the report of the subscribers actuarial committee with E. A. Henne, America Fore, chairman.

There was general discussion of the old question of advisability of working the rates downward as against broadening the coverage. One of the recent broadening moves has been extending 5 percent of the residence protection to outbuildings. Russell Hobbs, manager Western Actuarial Bureau, was on hand.

Several of those attending the Hartford Accident convention in White Sulphur Springs drove to Hot Springs Tuesday afternoon including J. P. Eoff and Mrs. Eoff, Findlay, O., D. P. Lemen, president Queen City Fire of Sioux Falls, S. D., and H. T. Moran, Oklahoma City. J. K. Battershell, secretary of Swiss Reinsurance, attended his first W. U. A. convention. He was escorted by U. S. Manager Rodney Davis.

The committee on public relations, J. C. Harding, chairman, in reporting Wednesday morning, said the current program, now entering its fourth year, had continued to secure gratifying results. He said under the field program, the joint committees of agents and field men had now held 293 zone meetings with a total attendance of 18,000. The meetings have been so popular, he declared, as sounding boards of information that another series is to be recommended for 1938-39. Material has been provided to the field committees for discussions of several subjects, including new plans for public relations work, stressing joint activities by local agency groups. These embody a joint sales campaign, a joint program of public relations, joint treatment of insurance of public and institutional property and educational activities with local credit men's associations where such exist.

Reports Are Presented

The Wednesday morning session was one of the most constructive and enthusiastic in W. U. A. history. A series of well prepared, substantial reports were presented and were followed intently by the membership. The public relations committee report was received with prolonged applause. Especial commendation was given W. K. Maxwell, vice-president of Hanover, for his report on cooperation in loss adjustment practices. He was in a tough spot because this report for many years in the past has been given by the late C. R. Street, who was vice-president of Great American, and was always one of the striking features of the meeting. Mr. Maxwell introduced a new tradition of excellence. Another report that made a big hit was that of C. R. Welborn, secretary Underwriters Laboratories, on fire protection engineering. A. F. Powrie gave the report on Cook county loss adjustments.

The fact that there was no controversial material in any of the reports gave the session a stimulating spirit. This has been a valuable few days for the cementing of good will in an atmosphere lacking tension.

B. P. Carter, prominent general agent of Richmond, Va., motored to Hot Springs to confer with executives of his companies.

Carl F. Sturhahn, president of Rossia, has been fraternizing at Hot Springs. He has been attending these meetings for 30 years and states that he expects to extend that record by a good many more years. He enjoys the warm regard of the W. U. A. folk.

South Dakota Agent Dead

ABERDEEN, S. D.—Louis Eads, 45, prominent southeastern South Dakota insurance man, was the first hunting season fatality in the state when he was killed instantly by the discharge of his gun as he crawled through a fence. Mr. Eads lived in Tyndall, S. D.

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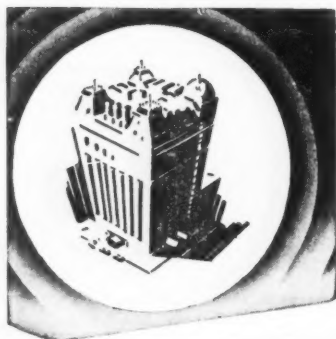
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Restrictive Laws Create Live Issue

(CONTINUED FROM PAGE 3)

tives to countersign policies, saying that the resident local agent in the territory where the property was located should be recognized and should have the prerequisites and emoluments that go with countersigning a policy.

Mr. Bennett contended that companies could use the counter-signature plan through field men thus taking advantage of their resident local agents and therefore undermining the agency system. He said it is a plain issue between commission local agents against the salaried system of conducting the business.

Ray Murphy Explained Position

From the same platform Assistant General Manager Ray Murphy of the Association of Casualty & Surety Executives explained the companies' side in the Virginia litigation. He advocated conference and conciliation. The companies point out, he said, that the Virginia act is broader in scope and appears to permit a complete test once and for all whereas a test of the North Carolina act, for instance, would not be conclusive even if the action were successful from the plaintiffs' viewpoint. The companies, he said, believe that such laws as that of Virginia not only fail to accomplish their desired purpose of benefiting the agents within the state but are detrimental to the interests of the agents as a whole and to the better type of companies. They declare that such laws will result in the deflection of business, that they will lead to retaliation and that through the spread of such laws generally in other states the results so far as agents' benefits are concerned will amount substantially to a "wash out."

Will Test Virginia Law

The Virginia resident agents law, he said, will be tested as to its constitutionality on the following points only: (1) The provision prohibiting the countersigning of contracts of insurance and suretyship by stock company salaried employees who are registered resident agents in Virginia; (2) the provisions regulating the division of commissions between countersigning agents and non-resident originating agents or brokers; (3) the provision prohibiting the countersigning by registered agents in Virginia of insurance contracts originating outside of Virginia and forwarded for countersignature by others than non-resident brokers licensed by Virginia.

So far as division of commissions is concerned between the outsider who originates the business and the countersigning commission agent, Mr. Bennett said that he did not take a position. Personally he was inclined to believe that it should be a matter of contract.

Cliff Jones and C. A. Abrahamson

In contrast to Secretary Bennett's address and the vote of the convention at St. Paul, it is interesting to review the expressions at the casualty convention at White Sulphur Springs by officials of the National Association of Casualty & Surety Agents. Cliff C. Jones of Kansas City is president of this organization and is a past president of the National Association of Insurance Agents. At the round table discussion over which Mr. Jones presided he said that the restrictive agency license laws which are being passed will eventually confine the general agent to his own state. He sees the danger in such laws leading to nonagency mutuals securing much of the interstate business. He called on C. A. Abrahamson of Omaha to give his views. Mr. Abrahamson is a prominent member of the Nebraska Association of Insurance Agents and a former president. He stated that under some of these laws the producer who has secured the business does not get as much commission as the resident agent. Big business, he said, has to a large degree

centralized its operations in cities. He called attention to the fact that the city agent is as much a part of the American agency system as the small town agent.

If the handling of large accounts is taken out of the hands of the small city agents Mr. Abrahamson said that organized businesses will turn to the mutuals. He described the chaos that would result if the insurance of a large national concern were divided and handled by every local agent in the individual point which it was represented. Mr. Abrahamson contended that every reasonable producer will pay the local agent for any service it may be necessary for him to render. Every counter-signature law, Mr. Abrahamson said, means the payment of commissions to local agents with a tremendous loss to producers having large risks. Mr. Abrahamson and those of his organization feel that the passage of a uniform national law in this situation is the only effective way to solve the problem.

Cliff C. Jones' Views

President Jones in his address before the joint organization of companies and agents at White Sulphur Springs said that laws requiring that the countersigning agent be paid half or even all the commissions are unjust. They give the agent an unearned income to which he is not entitled and add to the high cost of stock company insurance. The inevitable result, he predicted, will be that direct writing mutuals will be the only carriers able to handle efficiently large assured with locations in various states. An owner, he said, has as much right to select his insurance agent and adviser as his doctor or lawyer. The mere fact that a risk is in an agent's territory does not give that agent a vested interest in its insurance, he added. Countersigning commissions he designated as "easy money" for favored agents, who scarcely ever perform any favors.

Mr. Jones said that the law may intend that an agent where the risk is located shall receive the countersigning commission but a company complies with it if a policy is countersigned by an agent residing anywhere in the state. Countersigning commissions, he said, as a result are handed out by companies as a bribe for other business.

"Forgotten Line" Is Challenge to Agent

(CONTINUED FROM PAGE 23)

Agents who have an entry to large employers, Mr. Hall pointed out, will find that the United States is helping to sell fidelity bonds. Personnel departments everywhere are interested in employe credit unions as a means of providing funds for workers in time of need and saving them from loan sharks. Under the federal credit union act of 1935, over 3,800 credit unions have been incorporated under government supervision. These organizations cannot incorporate without carrying fidelity bonds on their officers and employees. An employer who thinks his employees will not steal from him should be reminded, declared Mr. Hall, that the United States refuses to believe they will not steal from each other.

The sale of a schedule or blanket bond will provide any agent with a remarkable prospect list, Mr. Hall continued. Practically every large bonding company insists upon an individual application from each employee. The agent thus has access to every fact he could possibly wish to know about every employe on whom he sells a bond, his salary, property, family, life insurance, etc. It would be a poor agent indeed who could not use a list such as this to excellent advantage in selling every form of insurance.

A fidelity bond form, said Mr. Hall, is simplicity itself and the much-abused manual is simple if one will take the trouble to study it. What causes most trouble in finding fidelity rates is the large number of classifications. How-



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Chicago, Illinois

EDWARD W. RAWLINS

James F. Wright
Associate
77 West Washington Street
Chicago, Illinois
Aetna affiliated companies, Massachusetts Bonding,
The Medical Protective Company, Automobile Own-
ers Insurance Co.

CLARENCE W. HEYL

8th Floor Central National Bank Bldg.
Peoria, Illinois
Trial of Insurance cases: representing
MARYLAND, FIDELITY & CASUALTY,
ROYAL, GLOBE, EAGLE, BANKERS
INDEMNITY AND OTHERS.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

INDIANA

HENRY & FUNK
Investigations—Adjustments—Trial Work
References on Request
SECURITY TRUST BUILDING
INDIANAPOLIS

LUTZ & JOHNSON

Suite 728-32 Circle Tower
Indianapolis, Indiana
Insurance Attorneys

SLAYMAKER, MERRELL & LOCKE

Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-760 Consolidated Building
INDIANAPOLIS

IOWA

**GRIMM, ELLIOTT, SHUTTLE-
WORTH and INGERSOLL**
1115-29 Merchants Natl. Bank Bldg.
Cedar Rapids, Ia.

Representing many leading insurance companies. Reference on request.
Equipped for investigation and adjustment of claims. Trial work in state and federal courts.

COSSON, STEVENS & COSSON

602 Register & Tribune Bldg.
Des Moines, Iowa
Truman S. Stevens
George Cosson
Clarence Cosson
General Insurance & Corporation Practice

**HALLAGAN, FOUNTAIN,
STEWART & CLESS**
918 Valley Bank Building
Des Moines, Iowa

General Counsel for Home Mutual Insurance Company of Iowa and Motor Carriers Mutual.
Representing: Ocean Accident, American Auto, Liberty Mutual, and others.
Equipped for investigation and adjustment of claims and trial of insurance cases in all courts.

KANSAS

**Doran, Kline,
Colmery, Cosgrove**
903 National Bank of Topeka Bldg.
Topeka, Kansas
Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

HART, PORTER & McDONALD

505 Fourth National Bank Building
Wichita, Kansas
Representing the U. S. Casualty Co. of New York, Fidelity & Deposit of Md.
Equipped for investigations and adjustments in territory.

KENTUCKY

**WOODWARD, DAWSON
& HOBSON**
Insurance Attorneys
615-24 Kentucky Home Life Building
Louisville, Kentucky

LOUISIANA

McCOY, KING & JONES
Suite 515 Weber Building
Phone 400
Lake Charles, Louisiana
American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G. and many others.
Investigations and adjustments all over this territory.

LESLIE P. BEARD

1914 American Bank Building
New Orleans, Louisiana
Trinity Universal, Sun Indemnity, Central Surety & Insurance Corp., and many others.
Equipped for investigations, adjustments, and trial of all cases in State and Federal Courts in Eastern Louisiana.

PURNELL M. MILNER

707 American Bank Bldg.
New Orleans, La.
Representing the American Bonding Co. and Fidelity & Deposit Co. forty-three years. Special representation Continental Casualty and United States Casualty.

MARYLAND

WALTER L. CLARK

Roszel C. Thomson
Clater W. Smith
Baltimore Trust Bldg.
Baltimore, Maryland

MICHIGAN

BEAUMONT, SMITH & HARRIS

2900 Union Guardian Building
Detroit, Michigan

EDWARD BRYANT

2161 Union Guardian Bldg.
Detroit, Mich.

ALEXANDER, McCASLIN & CHOLETTE

Peoples National Bank Building
Grand Rapids, Michigan
New York Casualty, Fidelity & Casualty, General Accident, U. S. Fire, London Guarantee & Acc., American Surety, Employers' Liability.
Equipped for investigations this territory. Defense trial—all insurance cases—western Michigan.

TRAVIS, MERRICK & JOHNSON

1000 Michigan Trust Building
Grand Rapids, Michigan
Aetna Group, New York Life, Factory Mutuals, Utica Mutual, Globe Indemnity and others.
Investigations and Trial Work in State and Federal Courts.

DEAN W. KELLEY

324 Mutual Building
Lansing Michigan

MINNESOTA

C. E. WARNER

616 Andrus Bldg.
Minneapolis, Minn.
Defense Insurance Cases State and Federal Courts. Fully equipped for investigations and adjustments.

MISSISSIPPI

WATKINS & EAGER

1001-9 Standard Life Building
Jackson, Miss.
Representing Natl. Board of Fire Under.; Fire Companies Adj. Bur.; Miss. State Rating Bur.; Aetna Cas. & Sur.; Fld. & Cas. Co.; Indem. Ins. Co. of N. A.; Md. Cas. Co.; St. Paul Mercury; Zurich; Gen. Accid.; Security Mut. Cas.; Equitable Life Assur. Socy.; Home Life of N. Y.; New York Life; Aetna Life; others. Counsel for leading fire companies in Miss.

MONTANA

CRIPPEN & CRIPPEN

415 Electric Bldg.
Billings, Mont.
Trial of insurance cases, state and federal courts. Equipped for investigations, adjustments, settlement of claims in this territory.

BOLINGER & BOLINGER

416 Commercial Nat'l Bank Bldg.
Bozeman, Montana
Defense of all Insurance Cases in State and Federal Courts. Investigations, adjustments and settlement of claims.

CORETTE & CORETTE

619-621 Hennessy Bldg.
Butte, Mont.
Representing: American Surety; Sun Indemnity; Home Indemnity; Aetna Group; Liberty Mutual; Others on Request.
Investigations, adjustments and defense trial in State and Federal Courts.

HENRY V. BEEMAN

Forsyth, Mont.
Defense of Insurance Companies State and Federal Courts. Equipped for investigations and adjustments.

Hildebrand & Warren

Glendive, Mont.
Representing Lloyds of London; U. S. F. & G.; Hartford Accident; Aetna. Others on request. Investigations and adjustments.

J. PAUL FREEMAN

Strain Bldg.
Great Falls, Montana
Representing: Standard Accident; Employers Group; New Amsterdam Ins. Co.
Equipped for investigations—defense for insurance trials, state and federal courts.

GUNN, RASCH, HALL & GUNN

Western Life Insurance Bldg.
Helena, Montana

NEBRASKA

ROSEWATER, MECHAM, SHACKELFORD & STOEHR

1028-40 City National Bank Building
Omaha, Nebraska
Representing 35 Insurance Companies—Kemper Group—Locality Group—Sun—Home—Liberty of Boston—American Surety—Security of Chicago—Employers of Wausau—Associated Ind. and others. Complete trial and claim service over Nebraska and Western Iowa.

NEW MEXICO

HENRY G. COORS

701-703 First National Bank Bldg.
Albuquerque, N. M.
Representing Gen. Acc. Fire & Life Assur.; Continental Casualty; United Services Auto Assoc.; Ohio Casualty; Government Employees Ins. Others on request.
Equipped for investigations and adjustments throughout New Mexico.

NEW YORK

David F. Lee
Donald W. Kramer
Edward E. O'Brien
LEE, LEVENE, O'BRIEN & KRAMER
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

NORTH CAROLINA

J. MELVILLE BROUGHTON

William H. Yarbrough, Jr., Associate
501-505 Lawyers Building
Raleigh, North Carolina
General Counsel: Atlantic Fire Ins. Co.; No. Carolina Home; Local Counsel: Travelers Group; Employers Group; Ocean Acc. & Ind.; Amer. Surety; Liberty Mutual and Others.
Trial Work, Investigations and Adjustments

NORTH DAKOTA

DULLAM & YOUNG

First Natl. Bank Bldg.
Bismarck, N. D.
Many companies represented.

NILLES, OEHLERT & NILLES

504 Black Bldg.
Fargo, N. D.
Continental Casualty Co., Standard Accident Insurance Co., Home Indemnity Co., St. Paul Mercury Indemnity, Insurance Co. of N. A. Represent Western Adjustment and Inspection Co.
Equipped to handle investigations and adjustments in southern North Dakota.

BUCK & BUCK

113 1/2 5th Ave., South
Jamestown, N. D.
Representing American Surety; Lumbermen's Mutual Casualty; Continental Casualty and others.
Equipped for investigations and adjustments. Defense trial work in State and Federal Courts.

OHIO

BULKLEY, HAUXHURST, INGLIS & SHARP

630 Bulkley Building
Cleveland, Ohio
Firemen's Fund Ins. Co., American Insurance Co., Bankers Indemnity Ins. Co., Globe Indemnity Co., Continental Casualty Co., London Guarantee & Accident Co., Ltd.

BUSHNELL, BURGESS, FULTON & CHANDLER

1250 Terminal Tower Bldg.
Cleveland, Ohio
Metropolitan Life; Medical Protective; Hartford Accident; Western Ins. Co.; Columbia Casualty; Ocean Accident; Maryland Casualty; Trinity Universal.

JOHN H. McNEAL

and
HARLEY J. McNEAL
582 Auditorium Bldg., 1347 E. 9th St.
Phone Main 1928 CLEVELAND
Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

OHIO (Cont.)

**MARSHALL, MELHORN
DAVIES, WALL & BLOCH**
1022 Spitzer Building
Toledo, Ohio

OREGON

DAVID B. EVANS
220 Miner Bldg.
Eugene, Oregon
Representing: Aetna Group; American Auto; Hartford Accident; Maryland Casualty; Pacific Indemnity; Travelers; U. S. F. & G. and many others on request. Equipped for investigations, defense of insurance claims in state and federal courts.

WILSON S. WILEY
608-609 Oregon Bank Bldg.
Klamath Falls, Ore.
Defense trial of all insurance cases State and Federal Courts.
Equipped for investigations.

DEY, HAMPSON & NELSON
800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

HICKS & ADAMS
515 Pacific Building
Portland, Ore.
Equipped for investigations, adjustments, defense trial work in State and Federal Courts for this territory.

**McCAMANT, THOMPSON,
KING & WOOD**
American Bank Bldg.
Portland, Ore.
Mutual Life Ins. Co. of N. Y.; Union Central Life; New Amsterdam Cas.; Commercial Casualty; Sun Indemnity.
Equipped for investigations, adjustments of claims.

PENNSYLVANIA

**THORP, BOSTWICK, REED
& ARMSTRONG**
Grant Building
Pittsburgh, Pa.
Seaboard Surety Co.; American Surety Co. (Pittsburgh office); U. S. Fidelity & Guaranty (some cases), others on request.
Investigations.

SOUTH CAROLINA

THOMAS-LUMPKIN & CAIN
1000-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life. Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

TENNESSEE

MANIER & CROUCH
Baxter Bldg.—216 Union Street
(Entire 4th Floor)
Nashville, Tenn.
Preferred Accid.; U. S. Guarantee; Fireman's Fund; Allstate; St. Paul Mercury; Utilities Ins.; Employers Reinsurance; Central Surety; many others. For clients who have no local adjusters, we investigate, adjust claims as well as handle legal work anywhere in Middle Tennessee.

TEXAS

**BROMBERG, LEFTWICH,
CARRINGTON & GOWAN**
Magnolia Building
Dallas, Tex.
Representing: New Amsterdam Casualty; Standard Surety and Casualty; St. Paul Mercury; American Automobile; Ohio Casualty; Western Casualty and Surety; General American Group. Others on request.

**CANTEY, HANGER &
McMAHON**
15th Floor, Sinclair Building
FORT WORTH, TEXAS
Samuel B. Canley Samuel B. Canley, Jr.
(1883-1924) Alfred McKnight
William A. Hanger Gillis A. Johnson
Mark Mahon B. K. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

UTAH

IRVINE SKEEN & THURMAN
Suite 1501 Walker Bank Bldg.
Salt Lake City, Utah
Representing U. S. F. & G.
Others on Request.
Investigations, adjustments. Trial defense of Insurance Cases.

**STEWART, STEWART &
CARTER**
1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

**BAUSMAN, OLDHAM &
JARVIS**
1410 Hoge Bldg.
Seattle, Wash.
Representing: Globe Indemnity; Lloyds of Minneapolis; Bankers Indemnity. Equipped for investigations in this territory.

**BOGLE, BOGLE &
GATES**
Sixth floor, Central Bldg., Seattle, Wash.
Fireman's Fund; Guarantee Mutual Life; Home (Marine Dept.); Standard Steamship Owners Protection & Indemnity Assn.; United States P. & I. Agency; Lincoln Nat'l. Life; No. American Life; Occidental Life; Oregon Mut. Life; Puget Sound Title; St. Paul-Mercure; Amer. S. S. Owners Mut. Protection & Ind.; Bankers Life.

**BYERS, WESTBERG
& JAMES**
318 Marion Bldg.
Seattle, Wash.
Specializing in defense trial work of insurance companies. References on request.
Equipped to handle investigations, adjustments and settlements on all insurance claims.

**CALDWELL, LYCETTE &
DIAMOND**
and John N. Sylvester
2003 Exchange Bldg.
Seattle, Wash.
Representing: National Surety Corp.; Royal Indemnity; Eagle Indemnity; Globe Indemnity; St. Paul Mercury Indemnity; Standard Surety & Casualty; Accident & Casualty of Switzerland.

WASHINGTON (Cont.)

**GRINSTEAD, LAUBE &
LAUGHLIN**
1400 Dexter Horton Bldg.
Seattle, Wash.
Fidelity & Deposit, Massachusetts Bonding & Insurance, Associated Indemnity, Globe Indemnity. Qualified to handle defense trial work of fire companies.

**SKEEL, McKELVY, HENKE,
EVENSON & UHLMANN**
(Formerly Roberts & Skeel)
INSURANCE BUILDING
E. L. Skeel Geo. Bowington
W. R. McKelvy O. M. Moon
Harry Henke, Jr. Frederick V. Betts
W. E. Evenson Edw. J. Brandmeier
W. Paul Uhlmann Willard R. Skeel
Frank Hunter SEATTLE

H. EARL DAVIS
301 Sherwood Building
Spokane, Washington
Representing: The Columbia Cas., Ocean Acc. & Guarantee, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Casualty, U. S. Guarantee, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity.
Equipped to handle investigations and adjustments and all types of insurance trial work.

BURKEY & BURKEY
Puget Sound Bank Bldg.
Tacoma, Wash.
Insurance clients given on request.
Equipped for investigations and adjustments.

WISCONSIN

**SUTHERLAND, HUGHES &
SUTHERLAND**
Fond du Lac, Wisconsin
Representing: Continental Casualty; Hartford Accident; U. S. F. & G. and others on request.
ADJUSTMENT DEPARTMENT
LEO N. RICHTER CARL BRANDT

GRELLE & SCHLOTTHAUER
105 Monona Avenue
Madison, Wisconsin
Representing: Lumbermen's Mutual Cas.; American Motorists; Zurich Fire; Zurich General Accid.; Grain Dealers Natl. Mut.; American Indemnity; and many others on request.
Adjustments and Investigations also carefully handled.

WOLFE & HART
First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

**BOUCK, HILTON, KLUWIN
& DEMPSEY**
First National Bank Building
Oshkosh, Wisconsin
Employers Liability Assurance Co., Ltd., Fidelity & Casualty Co., Employers Mutual, Wausau, Wis., and others on request. Fully equipped to investigate and adjust claims in Oshkosh and surrounding communities.

WHIFFEN & WALTER
728 Wisconsin Avenue
Sheboygan, Wisconsin
Defense Insurance Cases
Equipped for Claims and Adjustments

ever, at least 75 percent of the business takes the unclassified rate. Mr. Hall suggested that every agent memorize the unclassified rate, which is simple and easy to remember. Once that is done, it is a simple matter to ascertain whether a prospect falls into this group, or whether a special classification must be used.

Not Criminal Types

Mr. Hall quoted from the well known booklet of his company "1001 Embezzlers" to show that the average defaulter is not a criminal type, but an apparently normal individual in the white collar class. He is married, has a family, earns a reasonably good salary, has at least a high school education, is of good upbringing, participates in social and community affairs, is favorably regarded by his employer and his associates, is competent in his business, has held his position for five and a half years and has honestly earned his place of trust. Embezzlers vary in age, the largest group being from 30 to 39 years. They embrace every possible job and are employed in every type of business. Living above one's means is the largest single cause of embezzlement, others being bad business management, gambling, drink and women. Mr. Hall cited Richard Whitney as the outstanding example of a person whom no one would have thought to be an embezzler—wealthy, prominent, occupying many positions of trust, of unquestioned social connections and holding a high position.

Schon Opens Office

Carl B. Schon has opened an independent adjusting office in room 945 Insurance Exchange, Chicago, telephone number being Wabash 0316. From 1927 to this year he was connected with the Cook County Loss Adjustment Bureau, and before that for five years he was chief clerk of the Northern Assurance office in Chicago.

1000 Rooms at Rates Advertised HOTEL GIBSON

Cincinnati's Largest Hotel

Large, pleasant rooms—
all with bath from \$2.50
...others \$2.75, \$3.00,
\$3.25 etc. to \$5.00. Four
fine restaurants. It is
centrally located on
Fountain Square.

Air-Conditioned Restaurants.
Limited Number of Air-Con-
ditioned Guest Rooms.

H. F. STEVENS, General Manager



Organized 1873



**ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND**

**111 JOHN STREET
NEW YORK**

United States Branch

Statement December 31, 1937

ADMITTED ASSETS

U. S. Treasury Bonds	\$1,609,430.74
Other Bonds	1,092,741.25
Stocks	88,729.00
Accrued Interest	22,968.47
Cash in Office and Banks	118,253.45
Premiums in Course of Collection	69,094.82
(Less than 90 days due)	\$3,001,217.73

LIABILITIES

Reserve for Unearned Premiums	\$ 127,716.91
Reserve for Outstanding Losses	33,049.40
Reserve for Other Liabilities	32,719.42
Voluntary Contingency Reserve	307,732.00
Total Liabilities	\$ 501,217.73

Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
	\$3,001,217.73

Bonds and Stocks owned are valued in accordance with the requirements of the New York State Insurance Department and the National Association of Insurance Commissioners. Securities carried in the above Statement at \$1,255,477.84 are deposited as required by law.



NEAL BASSETT

United States Manager

111 JOHN STREET, NEW YORK





THE WOODEN INDIAN *Died* YEARS BACK!

BACK in those days men sold cigars merely by having one of these worthy gentlemen outside the door. Back in those days an insurance agent, perhaps the only one in town, could sit, comfortable, dignified and at ease, while the business rolled up to his rolltop desk.

Not nowadays. Those good old times are gone forever. The successful insurance man today knows he has to expose himself to business, tell his prospects about his service, his ability, and the soundness of his companies. And he must offer really constructive service. At his fingertips must be information about the less-familiar kinds of cover; he must be able to cope with out-of-the-ordinary cases. He



Get to know *Your NF Group Counselor*. Learn to rely on his wealth of training and experience. It will mean more and better business for your agency.

must have available rating and engineering service, brokerage service across forty states, facilities for writing variety and volume.

To secure opportunities to offer these services to good prospects he needs the backing of a professional advertising and sales promotion department. An up-to-date business man, he appreciates the advice of fieldmen who know the methods of scores of successful agencies in other communities.

Where can good growing agencies obtain these facilities, these helps for new business, and these constructive aids to success? Simply by calling in *your NF Group Counselor*.

THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD — TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY — FRANKLIN NATIONAL INSURANCE COMPANY of NEW YORK
HARTFORD, CONNECTICUT